

**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

Comprehensive Annual Report

Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/5/11

TERREBONNE PARISH SCHOOL BOARD

Management Letter

June 30, 2010

**Terrebonne Parish School Board
Management Letter
December 21, 2010**

increased significantly from the previous year, the number was less than what is required by board policy.

In addition to performing audits of school funds, the job description of the internal auditor position lists several other responsibilities including serving as technical advisor to schools on accounting issues and computerized accounting problems.

When audits are completed, a copy of the report is provided to the school principal, the Director of Finance, and the Board. A response is requested from the principal within two weeks from the date the report is issued. Of the nine audit reports issued, only one response had been received from a principal within the two week period following the issuance of the report. The Board's policy does not address monitoring of responses to audit findings or corrective actions taken to address audit findings.

We offer the following recommendations to improve the internal audit function and the overall effectiveness of internal control over school activity funds:

- The policy on internal audits should be evaluated in relationship to the job responsibilities currently performed by the internal auditor.
- The policy should prioritize audits based on the volume of receipts and disbursements in its school activity funds.
- Procedures should be implemented to monitor audit responses and corrective actions taken to address audit findings.

We would like to thank the Executive Director of Finance and Auxiliary Services, the Supervisor of Finance and the entire accounting staff for the courtesy and assistance extended to us during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

December 21, 2010

A handwritten signature in black ink, appearing to read "L. Arant", followed by a stylized flourish.

**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

Comprehensive Annual Report

Year Ended June 30, 2010

**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

June 30, 2010

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INTRODUCTORY SECTION

**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

June 30, 2010

SCHOOL BOARD MEMBERS

Mr. Gregory Harding, President

Mr. Hayes Badeaux, Jr., Vice-President

**Mr. Roosevelt Thomas
Mr. Richard Jackson
Mr. Rickie Pitre
Mr. Clark Bonvillain
Mr. L.P. Bordelon, III
Mr. Roger Dale Dehart
Mr. Donald Duplantis**

OFFICIALS

**Mr. Philip Martin
Superintendent**

**Mr. Harris Henry
Executive Director of Finance & Auxiliary Services**

Terrebonne Parish School System
Condensed Table of Organization
June 30, 2010

CITIZENRY

Terrebonne Parish
School Board

Superintendent

Executive
Assistant

Assistant
Superintendent

Executive Director of
Finance & Auxiliary
Services

Supervisor of
Elementary
Education

Supervisor of
Secondary
Vocational & Adult
Education

Supervisor of
Special Education

Network
Administrator

Educational
Technology Facilitator

Supervisor of
Personnel

Supervisor of
Child Welfare

Supervisor of
Federal Programs

Supervisor of
Assessment/Staff
Development

Assistant
Supervisor of
Personnel

Chief Accountant

Supervisor of
Finance

Supervisor of
Transportation

Purchasing Agent

Internal Auditor

Supervisor of Plant
Maintenance

Data Processing
Manager

Risk Manager

Supervisor of Child
Nutrition

**REQUIRED SUPPLEMENTARY INFORMATION
(PART 1)**

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
For the Year Ended June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is a narrative overview and analysis of the financial activities of the Terrebonne Parish School Board for the fiscal year ended June 30, 2010. This section is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, and identify changes in the financial position and the ability of administration and management to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns.

This discussion and analysis is intended to serve as an introduction to the Terrebonne Parish School Board's basic financial statements. GASB 34 requires the presentation of two basic financial statements; Government-wide Financial Statements and Fund Financial Statements. This report also contains Notes to the financial statements and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Terrebonne Parish School Board's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Terrebonne Parish School Board is improving or deteriorating.

The Statement of Activities, consistent with the full accrual basis method of accounting, presents information showing how the net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

FUND FINANCIAL STATEMENTS: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund statements are reported using the modified accrual method of accounting. Fund Financial Statements provide more in-depth data on the most significant funds that are considered "Major Funds". All of the funds of the School Board can be divided into three categories: government funds, proprietary funds and fiduciary funds.

TERREBONNE PARISH SCHOOL BOARD
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Governmental funds: Most of the activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Fund Financial Statements is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds: The Terrebonne Parish School Board maintains four proprietary type funds. The School Board uses *internal service funds* as an accounting device to accumulate and allocate costs internally among the various functions for its self-funded workers compensation program, loss fund and group insurance claims fund.

The Terrebonne Parish School Board also maintains an *enterprise fund* to account for Terrebonne Construction Company, an equity investment received as a donation.

Proprietary fund statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for these funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds include school activity funds and an employee benefits trust fund. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Terrebonne Parish School Board's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
For the Year Ended June 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following represents key totals from the Statement of Net Assets:

	Governmental Activities		Business-type Activities	
	2010	2009	2010	2009
ASSETS				
Current assets	\$ 66,557,564	\$ 67,225,109	\$ 74,848	\$ 90,220
Capital assets	140,098,012	136,772,763	507,528	513,455
Less accumulated depreciation	(69,548,624)	(66,774,176)	(232,843)	(231,111)
Capital assets, net of depreciation	<u>70,549,388</u>	<u>69,998,587</u>	<u>274,685</u>	<u>282,344</u>
Total assets	137,106,952	137,223,696	349,533	372,564
LIABILITIES				
Current liabilities	30,200,789	31,406,867	2,732	3,484
Long-term liabilities	<u>37,236,593</u>	<u>18,844,893</u>	-	-
Total liabilities	67,437,382	50,251,760	2,732	3,484
NET ASSETS				
Invested in capital assets, net of related debt	60,137,301	69,511,575	-	-
Restricted	3,987,321	4,199,867	-	-
Unrestricted	<u>5,544,948</u>	<u>13,260,494</u>	<u>346,801</u>	<u>369,080</u>
Total net assets	<u>\$ 69,669,570</u>	<u>\$ 86,971,936</u>	<u>\$ 346,801</u>	<u>\$ 369,080</u>

Net assets of the governmental activities decreased by 19.9 percent to \$70 million compared to \$87 million in the prior year. Unrestricted net assets — the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — changed from \$13.3 million at June 30, 2009, to \$5.5 million at the end of this year.

Total assets decreased approximately \$100 thousand over the previous year. Current assets consist primarily (82% at June 30, 2010, 83% at June 30, 2009) of cash, investments, and sales taxes receivable. The net book value of capital assets represents 51% of total assets for the years ended June 30, 2010 and 2009. Current liabilities consist primarily (67% at June 30, 2010, 64% at June 30, 2009) of amounts due for salaries and benefits payable in July and August for employees of the School System.

Net assets of the business-type activities decreased 6.0% over the previous year.

TERREBONNE PARISH SCHOOL BOARD
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Net assets, the difference between total assets and total liabilities consist of 3 categories:

- o The amount representing the investment in capital assets (\$70,549,388) less the debt associated with those assets (\$10,412,087) is \$60,137,301, a decrease of 13 percent from the prior year.
- o Total restricted assets of \$3,987,321 consist of capital contracts of \$1,148,648 and various restrictions of \$2,838,673, a decrease of 5 percent from the prior year.
- o The remaining of \$5,544,948 is unrestricted. The unrestricted balance is an accumulation of prior year' operating results. This balance is directly affected each year by the operating results, as discussed above.

The following represents a recap of the Governmental and Business-type activities presented in the Statement of Activities (Government-Wide Financial Statements):

	<u>2010</u>	<u>2009</u>
Program revenues		
Charge for services	\$ 2,337,995	\$ 2,286,836
Operating grants and contributions	37,976,621	33,012,590
Total program revenue	<u>40,314,616</u>	<u>35,299,426</u>
General revenues		
Ad valorem taxes	6,289,967	6,165,172
Sales taxes	44,090,552	52,186,153
Rental, leases, and royalties	286,477	930,213
Earnings on investments	147,867	306,742
Other local	2,869,696	7,682,302
State grants, not specific to programs	210,123	218,127
Minimum Foundation Program	84,272,986	88,171,093
State revenue sharing	224,178	229,068
Total general revenue	<u>138,391,846</u>	<u>155,888,870</u>
Total revenues	<u>178,706,462</u>	<u>191,188,296</u>
Expenses		
Instructional expenses	121,561,988	116,100,070
Support service expenses	62,904,803	67,693,586
Food service operations	11,375,143	11,106,452
Debt service and other expenses	189,173	55,179
Total expenses	<u>196,031,107</u>	<u>194,955,287</u>
Increase (decrease) in net assets	<u>\$ (17,324,645)</u>	<u>\$ (3,766,991)</u>

Most of the activities were governmental. The business-type activities generated \$60,444 from charges for services and \$47,723 in expenses, resulting in net program revenue for the year ending June 30, 2010 of \$12,721.

The total cost of all programs and services increased by \$1 million, or approximately 0.6 percent. Program revenues for these activities increased by 14 percent (\$5 million). The decrease in net assets for all activities was \$17.3 million at June 30, 2010. This compares to a \$3.7 million decrease in net assets at June 30, 2009.

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The total revenue to fund all activities this year was \$178.7 million compared to \$191.2 million last year, a decrease of 6.5 percent over the previous year. As shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities through taxes, rental, leases, and royalties, earnings on investments, the minimum foundation program, and state revenue sharing was \$138 million. Some of the cost was paid by those who directly benefited from the programs (\$2.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$38 million). Overall, the governmental program revenues increased from \$35.3 million to \$40.3 million based on increases in fees charged for services and increased grant funding for certain programs.

Program revenues consist of charges for services and operating grants and contributions. Charges for services include such accounts as tuition, building rental, school bus rental, summer school fees and driver's education fees as well as charges for breakfast and lunches in the Food Service Fund. Operating grants and contributions consist of accounts such as: Medicaid reimbursements, parochial school transportation grant and program specific state and federal grants. General revenues consist of taxes and revenues not specific to any program or service.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Terrebonne Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Terrebonne Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The following is a recap of the percentages of revenues by source for all governmental funds types (Fund Financial Statements):

REVENUE SOURCE	2010		2009	
	amount	percentage	amount	percentage
Local	\$ 55,554,486	31.26%	\$ 63,914,044	34.60%
State	89,890,329	50.58%	97,661,623	52.88%
Federal	32,284,966	18.17%	23,124,435	12.52%
Total revenues	\$ 177,729,781	100.00%	\$ 184,700,102	100.00%

Local sources of revenues include property tax collections, sales and use taxes, local parish contributions to the Teacher's Retirement Plan, rents and royalties that are generated by various School Board properties, tuition, charges for services such as meal revenues, earnings

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
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on investments, and various reimbursements and contributions for a total of \$55,554,486, a decrease of 13.1% from last year.

State sources of revenues include monies from the Minimum Foundation Program, revenue sharing, Professional Improvement Program support for teachers, state contributions to the Teacher's Retirement System, and grants from various other state programs, for a total of \$89,890,329, a decrease of 8.0% from last year.

Federal sources of revenues include monies from various federal programs including the Disadvantaged Education Program, Meal Reimbursement Program, Special Education Fund, and various other federal programs, for a total of \$32,284,966, an increase of 39.6% from last year.

The following is a recap by percentages of expenditures by function for all governmental fund types:

FUNCTION	2010		2009	
	amount	percentages	amount	percentages
Instruction	\$ 110,048,402	61.74%	\$ 111,039,488	57.53%
Support Services	64,804,641	36.36%	70,730,394	36.64%
Facilities acquisition	3,255,747	1.83%	10,624,664	5.50%
Debt Service	130,969	0.07%	628,843	0.33%
Total expenditures	\$ 178,239,759	100.00%	\$ 193,023,389	100.00%

Instruction expenditures include regular, special, adult, vocational, and other various instructional expenditures such as alternative programs, music programs, extracurricular programs and summer school programs. These expenditures decreased 0.9% from last year.

Support services include pupil support, instructional staff, general administration, school administration, business services, plant services, food service, student transportation, central services and community services. These expenditures decreased 8.4% from last year.

Facilities acquisition includes all expenditures for construction, engineer fees, land and site improvements, portable classrooms and building improvements. These expenditures decreased 69.4% from last year.

Debt service includes all debt principal, interest and paying agent fees. These expenditures decreased 79.2% from last year.

TERREBONNE PARISH SCHOOL BOARD
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The following is a recap of the capital asset categories and balances for Governmental Activities:

CATEGORY	COST	ACCUMULATED DEPRECIATION	NET BALANCE	
			2010	2009
Land	\$ 3,787,267	\$ -	\$ 3,787,267	\$ 3,787,267
Buildings and Improvements	117,892,743	62,883,575	55,009,168	50,685,459
Furniture and Equipment	4,407,254	2,897,441	1,509,813	1,592,908
Vehicles	3,887,242	3,767,608	119,634	214,037
Construction in Progress	10,123,506	-	10,123,506	13,718,916
Total	<u>\$ 140,098,012</u>	<u>\$ 69,548,624</u>	<u>\$ 70,549,388</u>	<u>\$ 69,998,587</u>

The original cost of capital assets is \$140,098,012, which is an accumulation of capital assets year after year less any disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with generally accepted accounting principles, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$69,548,624. Most capital asset acquisitions are financed through long-term debt.

Capital asset additions for the year were \$3,390,971 and disposals were \$65,722, net of amounts transferred from construction-in-progress. Depreciation expense for the year was \$2,840,170. At the end of the fiscal year, the amount reserved and committed for construction projects is \$10,123,506.

Debt:

The following is a recap of the types and balances of debt outstanding:

CATEGORY	ORIGINAL PROCEEDS	ENDING BALANCE	
		2010	2009
QZAB Loan	\$ 1,030,218	\$ 412,087	\$ 487,012
QSCB Bonds	10,000,000	10,000,000	-
Compensated Absences	N/A	7,633,480	7,916,734
Other post employment benefits	N/A	19,191,026	10,441,146
Total	<u>\$ 11,030,218</u>	<u>\$ 37,236,593</u>	<u>\$ 18,844,892</u>

At year-end, the School Board had approximately \$10.4 million in bonds and notes outstanding (not including compensated absences and other post employment benefits) versus

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
For the Year Ended June 30, 2010

approximately \$0.5 million last year. Debt service expenditures totaled \$74,925 or 0.01% of general governmental expenditures – approximately the same percentage as last year.

GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS

General Fund Balance: The Budgetary Comparison Schedules for the Major Funds display original, final, and actual budget columns with a variance column showing the favorable or (unfavorable) difference of the actual with the final budget. The following shows the significant amendments to the original general fund budget:

Original Budget Revenues	\$ 104,217,605
Amendments were made for:	
Increase in ad valorem tax received	84,532
Decreased sales and use tax revenue received	(1,333,862)
Increase in local contribution to Teachers Retirement System	4,922
Decreased rentals, leases, royalties	(423,800)
Increased tuition received	86,994
Decrease in interest earned	(95,340)
Increase in other local revenue	187,850
Decrease in equalization	(2,586,344)
Decrease in Professional Improvement Program support	(12,468)
Increase in state contribution to Teachers Retirement System	1,937
Increase in other state revenue	15,000
Increase in other state grants	122,259
Total revenue amendments	<u>(3,948,320)</u>
Amended budget revenues	<u>\$ 100,269,285</u>
Original Budget Expenditures	\$ 117,062,816
Amendments were made for:	
Decrease in instructional expenditures	(329,130)
Decrease in support service expenditures	(632,475)
Increase in facilities acquisition	71,500
Total expenditure amendments	<u>(890,105)</u>
Amended budget expenditures	<u>\$ 116,172,711</u>

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Management's Discussion and Analysis
For the Year Ended June 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Highlights of the July 1, 2010 through June 30, 2011 Original Annual Operating Budget follows:

	GENERAL	OTHER
Local revenues	\$ 15,484,030	\$ 38,784,636
State revenues	85,523,461	4,404,558
Federal revenues	-	27,803,689
Other sources	13,721,327	1,031,152
Total revenues	114,728,818	72,024,035
Instruction	68,497,321	29,962,199
Support services	42,860,424	25,782,782
Capital outlay	50,000	708,000
Transfers out	3,278,703	15,508,422
Total expenditures	114,686,448	71,961,403
Excess (Deficiency) of Revenues	42,370	62,632
Beginning Fund Balances	4,841,521	10,881,417
Ending Fund Balances	\$ 4,883,891	\$ 10,944,049

Some of the most important features of the 2010/2011 budget are:

- o Ending General fund balance is estimated at 4.3% of expenditures.
- o A decrease in MFP is budgeted based on a reduction of students projected for 2010/2011.
- o Salaries and Benefits are budgeted at \$142,521,070.
- o Normal step progression and longevity advances are estimated to cost \$928,000.
- o The School Employees Retirement System rate has increased from 17.6% to 24.3%.
- o The Teachers Retirement System employer contribution rate has increased from 15.5% to 20.2%.
- o Sales Tax collections are budgeted at 2.0% less than the 2009/2010 revised budget Sales Tax collections.
- o Workers Compensation rates are budgeted to remain the same as 2009/2010 rates.
- o Capital projects, with the exception of a two small projects, have been removed from the One Cent Sales Tax Fund and the General Operating Fund.

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
For the Year Ended June 30, 2010

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Terrebonne Parish School Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mr. Harris Henry, Executive Director of Finance and Auxiliary Services
Terrebonne Parish School Board
201 Stadium Drive
Houma, LA 70360
(985) 876-7400

FINANCIAL SECTION

5779 Hwy. 311
P. O. Box 3695
HOUMA, LOUISIANA 70361-3695
TELEPHONE (985) 851-0883
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— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MARK S. FELGER, CPA

INDEPENDENT AUDITOR'S REPORT

To the Terrebonne Parish School Board
Houma, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Terrebonne Parish School Board as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Terrebonne Parish School System's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

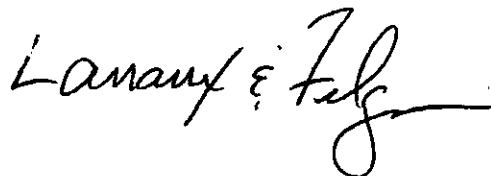
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 21, 2010, on our consideration of the Terrebonne Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-1 through 1-10 and 3-2 through 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Terrebonne Parish School Board's basic financial statements. The statements and schedules listed under the Supplemental Information Section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Terrebonne Parish School Board. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



December 21, 2010

STATEMENT OF NET ASSETS
Terrebonne Parish School Board
June 30, 2010

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 29,386,282	\$ 69,330	\$ 29,455,612
Cash with fiscal agents	87,418	-	87,418
Investments, at market	17,272,134	-	17,272,134
Receivables:			
Sales and use tax	7,839,429	-	7,839,429
Other receivables	3,151,895	932	3,152,827
Due from governments	7,860,619	-	7,860,619
Internal balances	1,362	(1,362)	-
Deposits	100	345	445
Inventory, at cost	298,568	-	298,568
Prepaid expenses	659,757	5,603	665,360
Capital assets, net of accumulated depreciation	70,549,388	274,685	70,824,073
TOTAL ASSETS	137,106,952	349,533	137,456,485
<u>LIABILITIES</u>			
Accounts, salaries and other payables	30,200,752	488	30,201,240
Due to external parties (fiduciary fund)	37	-	37
Deferred revenues	-	2,244	2,244
Long-term liabilities			
Due within one year	569,285	-	569,285
Due in more than one year	36,667,308	-	36,667,308
TOTAL LIABILITIES	67,437,382	2,732	67,440,114
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	60,137,301	-	60,137,301
Restricted for:			
Capital improvements	1,148,648	-	1,148,648
Other	2,838,673	-	2,838,673
Unrestricted	5,544,948	346,801	5,891,749
TOTAL NET ASSETS	\$ 69,669,570	\$ 346,801	\$ 70,016,371

See accompanying notes to the financial statements. 2-3

STATEMENT OF ACTIVITIES
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs						
Governmental activities:						
Instruction:						
Regular	\$ 71,055,279	\$ 599,532	\$ 9,052,560	\$ (61,403,187)	\$ -	\$ (61,403,187)
Special	24,881,223	-	2,401,227	(22,479,996)	-	(22,479,996)
Adult education	548,390	-	403,009	(145,381)	-	(145,381)
Vocational education	4,633,244	-	281,567	(4,351,677)	-	(4,351,677)
Other programs	20,443,852	69,020	9,196,824	(11,178,008)	-	(11,178,008)
				-		
Support Services:						
Pupil support	9,231,532	-	2,620,553	(6,610,979)	-	(6,610,979)
Instructional staff	11,764,557	-	4,793,022	(6,971,535)	-	(6,971,535)
General administration	4,778,447	111,496	5,190	(4,661,761)	-	(4,661,761)
School administration	9,267,354	805	414,423	(8,852,126)	-	(8,852,126)
Business services	1,988,684	-	-	(1,988,684)	-	(1,988,684)
Plant services	14,020,908	-	166,952	(13,853,956)	-	(13,853,956)
Food service	11,375,143	1,472,100	6,734,803	(3,168,240)	-	(3,168,240)
Student transportation	10,388,727	24,523	1,341,047	(9,023,157)	-	(9,023,157)
Central services	1,461,890	75	489	(1,461,326)	-	(1,461,326)
Community services	2,704	-	38,269	35,565	-	35,565
Facilities acquisitions	85,406	-	526,686	441,280	-	441,280
Interest and bank charges	56,044	-	-	(56,044)	-	(56,044)
Total Governmental Activities	195,983,384	2,277,551	37,976,621	(155,729,212)	-	(155,729,212)
Business-type activities:						
Property rentals	47,723	60,444	-	-	12,721	12,721
Total business-type activities	47,723	60,444	-	-	12,721	12,721
General Revenues						
Local Sources:						
Ad valorem taxes				6,289,967	-	6,289,967
Sales and use taxes				44,090,552	-	44,090,552
Rentals, leases, and royalties				286,477	-	286,477
Earnings on investments				147,867	-	147,867
Other local				2,869,696	-	2,869,696
State sources:						
Grants not specific to programs				210,123	-	210,123
Minimum Foundation Program				84,272,986	-	84,272,986
State revenue sharing				224,178	-	224,178
Total general revenues				138,391,846	-	138,391,846
Change in net assets				(17,337,366)	12,721	(17,324,645)
Net Assets— beginning				86,971,936	369,080	87,341,016
Equity transfer				35,000	(35,000)	-
Net Assets—ending				\$ 69,669,570	\$ 346,801	\$ 70,016,371

See accompanying notes to the financial statements. 2-4

BALANCE SHEET
GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2010

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Child Nutrition Fund	Bond Fund	Non-major Funds	Total
ASSETS							
Cash	\$ 12,074,594	\$ 2,636,779	\$ 632,942	\$ 375,404	\$ 10,139,474	\$ 133,502	\$ 25,992,695
Investments - at market	3,043,778	3,042,327	5,070,545	-	-	324,606	11,481,256
Receivables:							
Sales and use tax	1,254,302	3,762,907	2,822,220	-	-	-	7,839,429
Other receivables	724,320	-	-	2,643	-	1,927,224	2,654,187
Due from other funds	14,470,375	-	1,154	61,784	-	2,117,710	16,651,023
Due from other governmental units:							
State Department of Education	-	-	-	49,490	-	7,506,833	7,556,323
United States Department of Education	-	-	-	-	-	304,296	304,296
Other units	363,566	-	-	-	-	113,988	477,554
Deposits	100	-	-	-	-	-	100
Inventory, at cost	-	-	-	298,568	-	-	298,568
Prepaid expenses	-	502,548	34,045	16,846	-	3,448	556,887
Total assets	\$ 31,931,035	\$ 9,944,561	\$ 8,560,906	\$ 804,735	\$ 10,139,474	\$ 12,431,607	\$ 73,812,318
LIABILITIES							
Accounts payable	\$ 316,238	\$ 352,749	\$ 165,903	\$ 1,180	\$ -	\$ 341,046	\$ 1,177,116
Accrued salaries	15,773,791	-	-	-	-	-	15,773,791
Accrued employee benefits	4,426,631	-	-	-	-	-	4,426,631
Payroll deductions payable	1,249,221	-	-	-	-	-	1,249,221
Due to other funds	2,330,283	2,926,036	2,401,819	490,822	3,069	8,775,089	16,927,118
Total liabilities	24,096,164	3,278,785	2,567,722	492,002	3,069	9,116,135	39,553,877

See accompanying notes to the financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2010

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Child Nutrition Fund	Bond Fund	Non-major Funds	Total
<u>Fund balance:</u>							
Reserved:							
Capital contracts	-	1,148,648	-	-	10,136,405	693,675	11,978,728
Technology	-	500,000	-	-	-	-	500,000
Deposits	100	-	-	-	-	-	100
Unreserved:							
Designated:							
Subsequent year's expenditures	-	-	605,032	-	-	-	605,032
Capital contracts	500,000	2,275,022	-	-	-	407,292	3,182,314
Employee compensation	-	1,385,268	-	-	-	-	1,385,268
Technology	-	1,356,838	-	-	-	-	1,356,838
Instructional programs	-	-	5,388,152	-	-	1,660,792	7,048,944
Undesignated	7,334,771	-	-	312,733	-	553,713	8,201,217
Total fund balances	7,834,871	6,665,776	5,993,184	312,733	10,136,405	3,315,472	34,258,441
Total liabilities and fund equity	\$ 31,931,035	\$ 9,944,561	\$ 8,560,906	\$ 804,735	\$ 10,139,474	\$ 12,431,607	\$ 73,812,318

See accompanying notes to the financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
Terrebonne Parish School Board
June 30, 2010**

Total fund balances - Governmental Funds		\$ 34,258,441
Cost of capital assets at June 30, 2010	140,098,012	
Less: Accumulated Depreciation as of June 30, 2010		
Buildings and improvements	(62,883,575)	
Furniture and equipment	(2,897,441)	
Vehicles	<u>(3,767,608)</u>	70,549,388
 Consolidation of internal service funds		 2,098,334
 Elimination of interfund assets and liabilities		
Due from other funds	16,925,593	
Due to other funds	<u>(16,925,593)</u>	
 Long-term liabilities at June 30, 2010		
QSCB Bonds	(10,000,000)	
QZAB Loans	(412,087)	
Compensated absences payable	(7,633,480)	
Other post employment benefits	<u>(19,191,026)</u>	<u>(37,236,593)</u>
 Total net assets - Governmental Activities		 <u>\$ 69,669,570</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	REVENUES					Bond Fund	Non-major Funds	Total
	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Child Nutrition Fund				
Local sources:								
Ad valorem tax	\$ 6,289,965	\$ -	\$ -	\$ -	\$ 2	-	-	\$ 6,289,967
Sales and use tax	7,054,488	21,163,465	15,872,599	-	-	-	-	44,090,552
Deductions from parish taxes (1%) for contribution to Teachers Retirement	708,699	-	-	-	-	-	-	708,699
Rents, leases, royalties	286,477	-	-	-	-	-	-	286,477
Tuition	658,319	-	-	-	-	-	-	658,319
Interest earned	35,712	32,415	52,915	117	10,736	15,972	-	147,867
Charges for services	-	-	-	1,455,622	-	-	-	1,455,622
Other local revenue	1,064,739	327,154	-	17,877	-	507,213	-	1,916,983
State sources:								
Equalization	83,951,225	-	-	321,761	-	-	-	84,272,986
Revenue sharing	224,178	-	-	-	-	-	-	224,178
Professional Imp. Program Support	185,325	-	-	-	-	-	-	185,325
Contribution to Teachers Ret. System	24,798	-	-	-	-	-	-	24,798
Other state grants	683,838	-	-	-	-	4,499,204	-	5,183,042
Federal sources	-	916,777	-	6,677,014	-	24,691,175	-	32,284,966
Total revenues	101,167,763	22,439,811	15,925,514	8,472,391	10,738	29,713,564	-	177,729,781
EXPENDITURES								
Current:								
Instruction:								
Regular	48,960,903	9,139,070	1,217,637	-	-	4,682,094	-	63,999,704
Special	16,861,772	3,013,706	1,798	-	-	2,617,828	-	22,515,104
Adult education	16,360	55,161	-	-	-	423,549	-	495,070
Vocational education	3,392,026	508,695	76,275	-	-	281,567	-	4,258,563
Other programs	4,277,744	2,097,260	82,145	-	-	12,322,812	-	18,779,961
Support services:								
Pupil Support	4,855,546	967,475	6,092	-	-	2,623,656	-	8,452,769
Instructional staff	4,778,926	1,135,988	25,638	-	-	4,891,051	-	10,831,603
General Administration	1,331,070	288,424	197,111	-	-	10,381	-	1,826,986
School Administration	7,185,577	910,697	5,625	-	-	192,013	-	8,293,912
Business services	1,643,077	161,794	-	-	-	38,758	-	1,843,629
Plant Services	11,366,055	1,043,302	-	-	-	621,212	-	13,030,569

See accompanying notes to the financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**
Terrebonne Parish School Board
For the Year Ended June 30, 2010

<u>EXPENDITURES (CONTINUED)</u>	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Child Nutrition Fund	Bond Fund	Non-major Funds	Total
Food Service	591,803	889,363	-	8,627,769	-	57,789	10,166,724
Student transportation	7,165,747	869,512	-	-	-	977,911	9,013,170
Central services	1,082,988	259,587	-	-	-	-	1,342,575
Community services	2,704	-	-	-	-	-	2,704
Facilities acquisition	147,837	1,796,057	-	-	3,069	1,308,784	3,255,747
Debt Service:							
Principal retirement	74,925	-	-	-	-	-	74,925
Interest and bank charges	-	56,044	-	-	-	-	56,044
Total expenditures	113,755,060	23,192,135	1,612,321	8,627,769	3,069	31,049,405	178,239,759
Excess (deficiency) of revenues over expenditures	(12,587,297)	(752,324)	14,313,193	(155,378)	7,669	(1,335,841)	(509,978)
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating transfers in	12,767,126	-	-	445,429	-	1,192,624	14,405,179
Operating transfers out	(2,645,363)	-	(13,495,704)	-	-	(176,419)	(16,317,486)
Indirect costs	1,128,976	-	-	-	-	(1,128,976)	-
Other sources	17,148	565,743	-	-	9,939,835	393,511	10,916,237
Total other financing sources (uses)	11,267,887	565,743	(13,495,704)	445,429	9,939,835	280,740	9,003,930
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(1,319,410)	(186,581)	817,489	290,051	9,947,504	(1,055,101)	8,493,952
<u>FUND BALANCES</u>							
Beginning of year	9,119,281	6,852,357	5,175,695	22,682	188,901	4,370,573	25,729,489
Equity transfer	35,000	-	-	-	-	-	35,000
End of year	<u>\$ 7,834,871</u>	<u>\$ 6,865,776</u>	<u>\$ 5,993,184</u>	<u>\$ 312,733</u>	<u>\$ 10,136,405</u>	<u>\$ 3,315,472</u>	<u>\$ 34,258,441</u>

See accompanying notes to the financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Terrebonne Parish School Board
For the Year Ended June 30, 2010

Total Net Changes in Fund Balance - Governmental Funds			\$ 8,493,952
Capital Assets:			
Capital outlay		\$ 3,390,971	
Cost of disposed capital assets	\$ (65,722)		
Accumulated depreciation on disposed capital assets	<u>65,722</u>		
Net book value of disposed capital assets		-	
Depreciation expense for the year ended June 30, 2010		<u>(2,840,170)</u>	550,801
Change in net assets of internal service funds			(9,902,726)
Operating transfers in internal service funds			1,912,307
Long-Term Debt:			
Principal portion of debt service payments		74,925	
Increase in bonds payable		(10,000,000)	
Excess of compensated absences used over amounts earned		283,255	
Excess of other post employment benefits accrued over paid		<u>(8,749,880)</u>	<u>(18,391,700)</u>
Change in Net Assets - Governmental Activities			<u>\$ (17,337,366)</u>

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPES
 Terrebonne Parish School Board
 June 30, 2010

	Enterprise Fund	Internal Service Funds	Total
<u>ASSETS</u>			
Cash	\$ 69,330	\$ 3,393,587	\$ 3,462,917
Cash with fiscal agents	-	87,418	87,418
Investments	-	5,790,878	5,790,878
Rentals receivable	933	-	933
Other receivables	-	20,153	20,153
Due from other funds	-	277,420	277,420
Deposits	345	-	345
Prepaid expenses	5,603	102,871	108,474
Fixed assets (net of \$242,843 accumulated depreciation)	274,685	-	274,685
Total assets	350,896	9,672,327	10,023,223
<u>LIABILITIES</u>			
Accrued employee benefits	-	7,573,993	7,573,993
Due to other funds	1,362	-	1,362
Deferred revenues	2,244	-	2,244
Other liabilities	488	-	488
Total liabilities	4,094	7,573,993	7,578,087
<u>NET ASSETS</u>			
Reserved:			
Uninsured losses	-	1,504,767	1,504,767
Unreserved	346,801	593,567	940,368
Total net assets	\$ 346,801	\$ 2,098,334	\$ 2,445,135

See accompanying notes to the financial statements. 2-11

STATEMENT OF CHANGES IN NET ASSETS
 PROPRIETARY FUND TYPES
 Terrebonne Parish School Board
 For the Year Ended June 30, 2010

	Enterprise Fund	Internal Service Funds	Total
<u>OPERATING REVENUES</u>			
Property rentals	\$ 60,205	\$ -	\$ 60,205
Insurance premium billings	-	29,671,702	29,671,702
Recoveries of insurance cases	-	1,274,952	1,274,952
Other	211	577,930	578,141
	<u>60,416</u>	<u>31,524,584</u>	<u>31,585,000</u>
Total operating revenues			
	60,416	31,524,584	31,585,000
<u>OPERATING EXPENSES</u>			
General administration	16,177	29,702	45,879
Purchased services	9,597	-	9,597
Insurance	10,218	-	10,218
Depreciation	11,731	-	11,731
Reinsurance and administrative fees	-	2,976,580	2,976,580
Claims expense	-	38,505,456	38,505,456
	<u>47,723</u>	<u>41,511,738</u>	<u>41,559,461</u>
Total operating expenses			
	47,723	41,511,738	41,559,461
Operating income (loss)	12,693	(9,987,154)	(9,974,461)
<u>NON-OPERATING REVENUES</u>			
Interest earned	28	84,428	84,456
Operating transfers in	-	1,912,307	1,912,307
	<u>28</u>	<u>1,996,735</u>	<u>1,996,763</u>
Total non-operating revenues			
	28	1,996,735	1,996,763
Change in net assets	12,721	(7,990,419)	(7,977,698)
<u>NET ASSETS</u>			
Beginning	369,080	10,088,753	10,457,833
Equity transfer	(35,000)	-	(35,000)
	<u>\$ 346,801</u>	<u>\$ 2,098,334</u>	<u>\$ 2,445,135</u>
Ending			
	\$ 346,801	\$ 2,098,334	\$ 2,445,135

See accompanying notes to the financial statements. 2-12

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Terrebonne Parish School Board
 For the Year Ended June 30, 2010

	Enterprise	Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Received from rentals	\$ 63,038	\$ -
Received from assessments made to other funds	-	31,648,512
Payments for claims	-	(39,224,615)
Payments for reinsurance and administrative fees	-	(3,021,544)
Payments for operating expenses	(40,636)	-
Cash provided (used) by operating activities	<u>22,402</u>	<u>(10,597,647)</u>
<u>CASH FLOWS FROM NON-OPERATING ACTIVITIES</u>		
Operating transfers in	-	1,912,307
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	-	(3,076,562)
Proceeds from sale of investments	-	3,781,660
Interest income	28	84,428
Cash provided (used) by investing activities	<u>28</u>	<u>789,526</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Equity transfers to General Fund	(35,000)	-
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(12,570)	(7,895,814)
<u>CASH AND CASH EQUIVALENTS AT</u>		
Beginning of year	81,900	11,485,870
End of year	<u>\$ 69,330</u>	<u>\$ 3,590,056</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTED OF</u>		
Cash	\$ 69,330	\$ 3,393,587
Cash with fiscal agent	-	87,418
Cash equivalents included in investments	-	109,051
	<u>\$ 69,330</u>	<u>\$ 3,590,056</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income (loss)	\$ 12,721	\$ (9,987,154)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	11,731	-
Change in assets and liabilities:		
Receivables	-	(37,199)
Other assets	(1,467)	-
Prepaid expenses	111	-
Accounts payable and other liabilities	(694)	(573,294)
Total adjustments	9,681	(610,493)
Net cash provided (used) by operating activities	<u>\$ 22,402</u>	<u>\$ (10,597,647)</u>

See accompanying notes to the financial statements. 2-13

STATEMENT OF FIDUCIARY NET ASSETS
Terrebonne Parish School Board
June 30, 2010

	Employee Benefit Trust Fund - IRC Section 125 Plan	Agency Fund - School Activity Fund	Totals
<u>ASSETS</u>			
Cash	\$ 12,910	\$ 2,632,654	\$ 2,645,564
Other	37	12,174	12,211
Total assets	<u>\$ 12,947</u>	<u>\$ 2,644,828</u>	<u>\$ 2,657,775</u>
<u>LIABILITIES</u>			
Other liabilities	\$ -	\$ 2,644,828	\$ 2,644,828
Total liabilities	<u>-</u>	<u>\$ 2,644,828</u>	<u>2,644,828</u>
<u>NET ASSETS</u>			
Held in trust for employee benefits	<u>\$ 12,947</u>		<u>\$ 12,947</u>

See accompanying notes to the financial statements. 2-14

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	<u>Employee Benefit Trust Fund - IRC Section 125 Plan</u>
<u>ADDITIONS</u>	
Contributions by employees	\$ 62,495
<u>DEDUCTIONS</u>	
Disbursements for employee claims	<u>54,187</u>
Change in net assets	8,308
Net Assets - beginning	<u>4,639</u>
Net Assets - ending	<u><u>\$ 12,947</u></u>

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Terrebonne Parish School Board
June 30, 2010

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(Continued)
Terrebonne Parish School Board
June 30, 2010

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NOTES TO FINANCIAL STATEMENTS
Terrebonne Parish School Board
June 30, 2010

1) REPORTING ENTITY

The Terrebonne Parish School Board (School Board) is a legislative body created under Louisiana Revised Statute 17:51. The School Board has the power to make rules and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the State Board of Elementary and Secondary Education. The School Board consists of nine members elected by Districts. The School Board is authorized to establish public schools as it deems necessary to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine local supplements to their salaries. Accordingly, the School Board is defined as a primary government that meets the criteria as defined by governmental accounting standards. It has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments.

The School Board administration and instruction facilities are composed of a central office, 41 schools and two educational support facilities. Student enrollment for the 2009/2010 year is approximately 19,103 regular and special education students. The School Board employs approximately 2,803 persons of which 2,487 are directly involved in the instructional and instructional support process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation, etc. The regular school term normally begins during the middle of August and runs until late May.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the School Board conform to accounting principles accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

a) Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Terrebonne Parish School Board. For the most part, the effect of the interfund activity has been removed from these statements. The statements distinguish governmental activities, generally supported by taxes and other general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

b) **Measurement Focus, Basis of Accounting and Financial Statement Presentation:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use tax revenues are recognized in the period in which the underlying exchange transaction has occurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Other financing sources (uses) are shown in the fund financial statements and represent non-revenue inflows and non-expenditure outflows that affect fund balance. This section includes items such as transfers between funds that are not expected to be repaid, capital lease transactions, insurance proceeds, debt

extinguishments, long-term debt proceeds, et cetera. These other financing sources (uses) are recognized at the time the underlying events occur.

c) Fund Types and Major Funds:

Governmental Funds:

Governmental Funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable resources are accounted for through governmental funds.

MAJOR FUNDS

General Fund -- the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

One Cent Sales Tax Fund -- accounts for the proceeds of a one cent local sales tax dedicated as described in Footnote 4c.

$\frac{3}{4}$ Cent Sales Tax Fund -- accounts for the proceeds of a three quarters of one percent local sales tax dedicated as described in Footnote 4b.

Child Nutrition Fund -- accounts for the operations of the School Board's lunch, breakfast and summer feeding programs.

Bond Fund -- accounts for resources received from Qualified School Construction Bonds (QSCB) and used for the acquisition, construction, and improvement of capital facilities.

NON-MAJOR FUNDS

Special Revenue Funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds -- account for the financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other government funds.

Proprietary Funds:

Proprietary Funds are used to account for the School Board's ongoing activities which are similar to those often found in the private sector.

Enterprise Fund - accounts for operations that are financed through fees charged to external parties and operated in a manner similar to private business enterprises. The School Board maintains an enterprise fund to

account for Terrebonne Construction Company, an equity investment received as a donation.

Internal Service Funds -- account for the group health insurance, workers compensation insurance and property and casualty insurance services provided to other departments on a cost-reimbursement basis. Internal service funds are proprietary fund types that differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Fiduciary Funds:

Fiduciary Funds are used to account for assets held by the School Board in a trustee or agency capacity.

Agency funds - account for cash held by the School Board as an agent. Agency funds are a fiduciary fund type, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School Board has elected not to follow subsequent private-sector guidance.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Program revenues included in the Statement of Activities are derived directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The School Board reports all direct expense by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expense of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of

each function. Depreciation on buildings is assigned to the "General Administration" function due to the fact that school buildings serve many purposes. Interest on general long-term debt is considered an indirect expense and is reported separately of the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to the other funds for workers compensation insurance. The operating cost of the internal service fund includes the claims and reinsurance expenses of the program. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

d) Operating Budgetary Data and Encumbrances:

State law requires that parish school boards adopt a budget of expected revenues and probable expenditures not later than September 15. The proposed budgets for the fiscal year beginning July 1, 2009, and ending June 30, 2010 were presented to the Board Finance Committee on May 25, 2009 and made available for public inspection on May 26, 2009. Pursuant to publication of a public notice on May 27, 2009, public hearings were conducted and the Board adopted such budgets on July 7, 2009. Subsequent to adoption, an appropriate public notice was published in the official journal. The General Fund Budget was approved by the State Department of Education by letter dated December 11, 2009.

The budget was prepared on the modified accrual basis of accounting and included proposed expenditures and means of financing them. Formal budgetary integration within the accounting records is employed to facilitate management control. Budget amounts included in the accompanying financial statements include the original adopted budgets and all subsequent board approved amendments thereto. Budget amounts which are not expended or obligated through contract lapse at year end.

The budget resolution defines by generic fund type the authority of the board and its principal operating officers to effect amendments to the original operating budgets. As it relates to the General Operating Fund, the Superintendent and Director of Finance, jointly, are authorized to reallocate amounts within internal functional areas. Budgets for state and federal special revenue funds are approved by the appropriate regulatory authority and subsequently adopted by the board; expenditures may not exceed budgeted amounts unless a budget revision is approved by the regulatory authority. Encumbrance accounting practices, under which contracts and other commitments for the expenditure of

monies are recorded to reserve that portion of the applicable appropriation, is employed in the special revenue funds to control program expenditures. Encumbrances outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

State law provides that when actual revenues within a fund are failing to meet estimated annual budgeted revenues, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment shall be adopted by the board in an open meeting.

e) **Cash and Investments:**

Excess cash balances of all funds are invested to the extent possible in direct obligations of the United States Government, certificates of deposit and other allowable short-term obligations. Interest bearing checking accounts are used to the extent possible. Investments are stated at cost, which approximates market. Deposits are secured through the pledge of bank-owned securities or Federal deposit insurance. Under state law, the School Board may invest in obligations of the State of Louisiana or any board, commission or divisions thereof, bonds of any parish, school board, or municipality, and bonds or obligations of the United States.

f) **Cash Equivalents:**

For purposes of the Statement of Cash Flows – Proprietary Fund Types, all investments with an original maturity date of 3 months or less are considered cash equivalents. Cash equivalents totaling \$109,051 are included in investments in proprietary funds.

g) **Inventory:**

Inventories of the School Food Service Fund are accounted for using the consumption method of accounting where expenditures are recognized as inventory is used. Inventories consist of purchased food, lunchroom materials, supplies and donated commodities. Such inventories are recorded as an expense at the time individual inventory items are used utilizing the consumption method.

h) **Capital Assets:**

Land, land improvements and vehicles are stated at cost. Buildings constructed or acquired prior to June 30, 1996 are stated at estimated historical cost. Buildings constructed, acquired or improved subsequent to June 30, 1996 are stated at cost. Furniture and equipment are stated at cost, or at estimated historical cost when costs could not be determined from available records. All

future acquisitions of general fixed assets will be recorded at cost. No interest has been capitalized.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Furniture and Fixtures	5 – 12
Vehicles	5 – 15

i) **Compensated Absences:**

The School Board has three types of compensated absences which accumulate or vest as follows:

1. Sick Leave - Upon the beginning of a new year, each employee is entitled to one day of sick leave per month employed in a fiscal year, with a minimum of ten days allowed per year. Sick leave may be accumulated without limit; however, employees are reimbursed only for accumulated sick leave up to twenty-five days upon death or retirement. Sick leave benefits are accrued in the period in which earned at the most recent base rate of pay, exclusive of supplemental pay.
2. Sabbatical Leave - A certified teacher with a valid teaching certificate is entitled, subject to approval by the School Board, to sabbatical leave as follows:
 - a. One semester after completion of six or more consecutive semesters of employment in the Parish;
 - b. Two semesters after completion of twelve or more consecutive semesters of employment in the Parish.

Leave may be granted for rest and recuperation or professional and cultural improvement. Sabbatical leave benefits are recorded as an expenditure of the period in which paid.

3. Annual Leave - All 12 month full-time employees earn 5 to 20 days of annual leave depending on date of employment and length of service with the School Board. Effective July 1, 2010, annual leave could no longer be accumulated.

The cost of current sick leave privileges is recognized as current year expenditures in the governmental funds when leave is taken. The liability for these sick leave privileges not requiring current resources is recorded as long-term debt in the Government-Wide Financial Statements.

j) Long-Term Obligations:

Bond premiums and discounts, as well as issuing costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources. Long-term obligations expected to be financed from governmental funds are accounted for as liabilities in the Government-Wide Financial Statements (GWFS). Expenditures for principal and interest payments for long-term debt are recognized in the governmental funds when due.

k) Equity Classifications:

Equity is classified as net assets and displayed in three components in the Government-Wide Financial Statements as follows:

- o Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- o Restricted net assets – consists of net assets which constraints placed on use by either 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- o Unrestricted net assets – consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of debt."

Equity in the Fund Financial Statements (FFS) is classified as fund balance. Fund balances are further classified as reserved and unreserved.

Reserves on the governmental funds represent portions of fund balances which are not appropriable for expenditures or have been segregated for specific future uses, while designations of fund balances represent tentative plans for financial resource utilization in a future period.

l) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and

liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3) CASH AND INVESTMENTS

CASH

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States.

Deposits are stated at cost, which approximates market. Balances of interest-bearing demand deposits at June 30, 2010 were as follows:

	Book Balances	Bank Balances
<u>Cash:</u>		
Governmental funds	\$ 25,992,695	\$ 27,993,989
Proprietary funds	3,462,917	4,138,257
Agency funds	2,645,564	2,683,447
Total Cash	<u>32,101,176</u>	<u>34,815,693</u>
<u>Cash Equivalents (included in Investments):</u>		
Governmental funds	216,182	216,182
Proprietary funds	109,051	109,051
Total Cash Equivalents	<u>325,233</u>	<u>325,233</u>
 TOTAL	 <u>\$ 32,426,409</u>	 <u>\$ 35,140,926</u>

Custodial credit risk for deposits is the risk that in the event of a failure of a depository institution, the School Board may not recover its deposits or the securities pledged as collateral by a third-party custodian. School Board policy and state law require all deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The pledged securities are held in the name of the pledging bank in a custodial financial institution. While securities pledged in such a manner are considered uncollateralized (GASB Category 3), Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of notice by the School Board that the fiscal agent bank has failed to pay the deposited funds upon demand. At June 30, 2010, bank balances of \$34,565,693 in excess of federal deposit insurance were secured by pledged securities held by the custodial bank in the name of the fiscal agent bank.

INVESTMENTS

The School Board has the following investments at year end:

Fund	Investment Type	Credit Risk Rating	Interest Risk - Maturity Duration in Years		
			Less Than 1	1 to 5	Total
Governmental	US Government Agencies	Aaa	\$ 9,238,690	\$ 2,026,384	\$ 11,265,074
Proprietary	US Government Agencies	Aaa	4,659,769	1,022,058	5,681,827
	Cash equivalents	-	325,233	-	325,233
			<u>\$ 14,223,692</u>	<u>\$ 3,048,442</u>	<u>\$ 17,272,134</u>

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk—For investments, this is the risk that, in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer), the School Board would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the School Board's investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the securities.

Interest Rate Risk—This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The School Board's investment policy does not limit the maturities of investments; however, when purchasing investments, the School Board considers such things as interest rates and cash flow needs.

Concentration Risk—The School Board places no limit on the amount it may invest in any one issuer. Investments of a single issuer representing more than 5 percent of the School Board's total investments at June 30, 2010 are as follows:

Investment Type	Issuer	%
US Government Agencies	Federal Home Loan Mtg. Corp.	33%
US Government Agencies	Federal Home Loan Bank	67%

4) **SALES TAXES**

Sales taxes accrued at year end represent those amounts that are both measurable and available. The tax payments are collected by the Parish of Terrebonne, Sales and Use Tax Department, and are remitted to the School Board.

- a) The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Operating Fund; the tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$7,054,488 for the year ended June 30, 2010.
- b) The School Board also levies a three-quarters of one percent sales and use tax with the receipts being deposited in the 3/4 Cent Sales Tax Special Revenue Fund of 1975. This revenue was \$15,872,599 or the year ended June 30, 2010. These sales tax proceeds are dedicated and used as follows:

Fifty percent of the net tax collections and all interest earned on fund investments are used to assist in the payment of salaries and employee benefits.

Thirty percent of the net tax collections are for acquiring, constructing, and installing air conditioning equipment and facilities in the public schools and payment of the costs and expenses of operating utilities, maintenance and operations, replacement of equipment, and assistance to the maintenance and operation of the entire physical plant of the Terrebonne Parish School System. In addition, the ordinance allows the sales tax to fund bonds used for the purpose of acquiring, constructing, and installing air conditioning equipment and facilities.

Twenty percent of the tax revenues are for the costs and expenses of an instructional program for the Terrebonne Parish Public School System based upon individual school budgets established upon a minimum allocation of \$40 per elementary student and \$45 per secondary student to purchase instructional materials, supplies, and/or equipment for such schools.

Operating transfers are made from these allocations to the General Operating Fund and other funds. In any fiscal year in which the dedicated expenditures described above exceed the current year's allocated revenue, equity transfers may include such additional amounts as are necessary and available to fund fully such expenditures. An analysis of activity in the ¾ Cent Sales Tax Special Revenue Fund follows:

	Total	Salaries & Fringe Benefits	Plant Operations & Debt Service	Instructional Programs
Revenues				
Sales and use tax	\$ 15,872,599	\$ 7,936,299	\$ 4,761,780	\$ 3,174,520
Interest earned	52,915	52,915	-	-
Total revenues	15,925,514	7,989,214	4,761,780	3,174,520
Expenditures	1,612,321	105,050	55,237	1,452,034
Revenues over expenditures	14,313,193	7,884,164	4,706,543	1,722,486
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(13,495,704)	(7,884,164)	(4,706,543)	(904,997)
Excess of revenues over expenditures and operating transfers out	817,489	-	-	817,489
Fund Balance				
Beginning of year	5,175,695	-	-	5,175,695
End of year	\$ 5,993,184	\$ -	\$ -	\$ 5,993,184

Sales tax revenues collected in the ¾ Cent Sales Tax Fund are being collected, separated and expended in accordance with the proposition passed by the voters of Terrebonne Parish.

- c) On April 20, 1996, the citizens of Terrebonne Parish authorized a 1% sales tax effective for July 1, 1996 to be deposited into a new fund named the One Cent Sales Tax Fund of 1996. The revenue for the 1% sales tax at June 30, 2010 is \$21,163,465 and dedicated as follows:
- 1) 83% of revenues for paying increased compensation and related employment costs of teachers and other full-time personnel except management positions;
 - 2) 8 1/2% for providing operating and maintaining computers and high technology;

- 3) 8 1/2% for replacement, repair and maintenance of roofs and mechanical equipment.

An analysis of activity in the One Cent Sales Tax Fund of 1996 follows:

	Total	Compensation	Technology	Capital Projects
Revenues and other financing sources:				
Sales and use tax	\$ 21,163,465	\$ 17,565,676	\$ 1,798,895	\$ 1,798,894
Interest earned	32,415	32,415	-	-
E-Rate proceeds	327,153	-	327,153	-
Third-party recovery	74,131	-	74,131	-
Community development block grant	916,690	916,690	-	-
FEMA and insurance	491,700	-	-	491,700
Total revenues	23,005,554	18,514,781	2,200,179	2,290,594
Expenditures	23,192,135	19,557,037	1,762,130	1,872,968
Revenues over expenditures	(186,581)	(1,042,256)	438,049	417,626
Excess of revenues over expenditures and operating transfers out	(186,581)	(1,042,256)	438,049	417,626
Fund Balance				
Beginning of year	6,852,357	2,427,524	1,418,789	3,006,044
End of year	<u>\$ 6,665,776</u>	<u>\$ 1,385,268</u>	<u>\$ 1,856,838</u>	<u>\$ 3,423,670</u>

Sales tax revenues collected in the One Cent Sales Tax Fund of 1996 are being collected, separated and expended in accordance with the proposition passed by the voters of Terrebonne Parish.

On October 17, 2009, the voters of Terrebonne Parish approved a rededication of the One Cent Sales Tax Fund. The rededication provides that all of the 17% currently divided equally between technology and school maintenance can be used to build new schools and classroom wings.

5) AD VALOREM TAXES

Ad Valorem taxes are levied on November 1 of each year on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. The taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed for the 2008 Tax Roll.

The assessed values of the Parish upon which the 2009 levy were based is as follows:

	<u>ASSESSED VALUES</u>
Gross	\$ 893,407,805
Less Homestead Exemption	171,242,510
Taxable Property	<u>\$ 722,165,295</u>

Total Ad Valorem tax revenue collected for the year ended June 30, 2010 was \$6,289,967.

The following is a summary of the authorized and levied ad valorem tax millages and gross tax revenue assessed for the 2009 tax rolls:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Gross Tax Levy</u>
Parish Wide Taxes:			
Constitutional tax	3.99	3.68	\$ 3,287,746
Special maintenance tax	5.60	5.15	4,601,057
Totals		<u>8.83</u>	<u>\$ 7,888,803</u>

The Constitutional tax millage and the Special Maintenance tax millage are to be used to maintain and operate the present school system. The Constitutional tax is authorized to be levied by the Board without referendum. The Special Maintenance tax is levied pursuant to a referendum for a period of ten years expiring in the year 2010.

The School Board levied taxes at \$8.83 per \$1,000 of assessed valuation on property within Terrebonne Parish for general school services and maintenance of school system operations.

Property taxes are recorded as revenue by the School Board in the year the taxes are levied. Property taxes which are paid under protest are recorded as deferred revenue in the year the taxes are received and are held until settled. Property tax revenues are accrued at year end to the extent that they are measurable and estimated to become available to finance current operations. Delinquent taxes considered to be uncollectible are not recorded as revenues, consequently, no allowance for uncollected taxes is considered necessary. Such revenues are based on total tax levies less exempt taxes due to the general homestead exemption. A portion of exempt taxes due to homestead exemptions relating to constitutional and special school taxes are reimbursed to the School Board through State Revenue Sharing. Such Revenue Sharing was \$224,178 for the year ended June 30, 2010.

As required by the State of Louisiana Statutes, prescribed deductions are made from the School Board's property tax receipts and revenue sharing for contributions to

various pension funds. For the year ended June 30, 2010, \$708,699 was deducted from property tax receipts for amounts due to various pension funds.

6) RISK MANAGEMENT AND INSURANCE

The Terrebonne Parish School Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; providing health, dental, and other medical benefits to employees; and natural disasters. The School Board manages these risks in various ways as follows:

Commercial Insurance. The School Board has purchased excess commercial liability insurance to cover risks of loss related to torts or negligence by employees and board members. Commercial insurance has also been obtained to cover damage to or theft of computer equipment, vehicles, boilers and other machinery. Claims have not exceeded insurance coverage in any of the past three years.

Self-Insurance Programs. The School Board has established three (3) partially self-insured programs, which are accounted for in Internal Service Funds, as follows:

The workers' compensation program was established for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. An analysis of the claims activities for the current year and prior year follows:

(In Thousands)					
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability	
June 30, 2009	\$ 608	\$ 1,017	\$ 930	\$ 695	
June 30, 2010	\$ 695	\$ 896	\$ 782	\$ 809	

The Employee Benefit Group Insurance Plan was established by board action during the June 1991 fiscal year. The plan administrator, Gilsbar, is responsible for claims processing and administration. Resources to pay claims are derived from employer and employee contributions. Employer contributions are partially funded by local, state and federal funds. The contributions are recorded as expenditures in each fund employing personnel qualified for group hospital insurance benefits and are recorded as non-operating revenues in the group insurance claims internal service fund. The amounts charged to the various funds and the liability for outstanding claims are estimated based on an actuarial projection of expected claims. These amounts consider claims which may have been incurred but not reported as of June 30, 2010. The School Board has obtained excess insurance coverage which limits its exposure to \$350,000 per claim

and \$30,276,092 in the aggregate, per calendar year. An analysis of claims activities for the current year and prior year follows:

(In Thousands)				
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2009	\$ 6,814	\$ 31,037	\$ 30,690	\$ 7,161
June 30, 2010	\$ 7,161	\$ 39,052	\$ 39,448	\$ 6,765

The Loss Fund was established by the School Board to cover risks of loss related to damage to buildings and contents. The fund also serves to cover risk of loss due to torts and negligence by employees and board members. Auto liability is also included in the loss fund. The Fund covers all losses up to \$300,000. It is funded by operating transfers from the general fund. In addition, this fund serves to accumulate resources sufficient to handle property and casualty losses which fall within any deductible conditions or any self-insured retention program. Expenditures and claims liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The School Board has obtained a fire and extended coverage insurance policy with a deductible of \$1,000,000 per occurrence and \$30,000,000 limit per fiscal year. Analysis of claims activities for the current and prior year follows:

(In Thousands)				
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2009	\$ -	\$ 1,564	\$ 1,564	\$ -
June 30, 2010	\$ -	\$ 1,932	\$ 1,932	\$ -

Unemployment Compensation. The School Board has elected to use the direct reimbursement method for unemployment compensation paid to its employees by the Louisiana Department of Labor. Under this method, the employer elects to become liable for payments in lieu of making quarterly contributions to the Office of Employment Security. Regular and extended benefit payments attributable to services while the employee was in the employment of the School Board are billed quarterly to the School Board. The School Board has contracted a third party claims administrator to represent its interest in these cases.

7) CAPITAL ASSETS

Capital assets reported in governmental activities for the year ended June 30, 2010 were as follows:

	Beginning Balance	Additions	Deletions	Depreciation	Ending Balance
Land	\$ 3,787,267	\$ -	\$ -	\$ -	\$ 3,787,267
Buildings and Improvements	111,204,438	6,688,305	-	62,883,575	55,009,168
Furniture and Equipment	4,174,900	298,076	65,722	2,897,441	1,509,813
Vehicles	3,887,242	-	-	3,767,608	119,634
Construction in Progress	13,718,916	3,170,340	6,765,750	-	10,123,506
Totals	<u>\$136,772,763</u>	<u>\$ 10,156,721</u>	<u>\$ 6,831,472</u>	<u>\$69,548,624</u>	<u>\$70,549,388</u>

Capital asset additions reported above includes \$6,765,750 of prior period and current year construction costs moved out of Construction in Progress.

Depreciation was charged to general administration services in the statement of activities and is recapped as follows:

	Current Expense	Accumulation
Buildings and improvements	\$ 2,364,596	\$62,883,575
Furniture and equipment	337,604	2,897,441
Vehicles	137,970	3,767,608
Totals	<u>\$ 2,840,170</u>	<u>\$69,548,624</u>

Capital assets reported in business-type activities for the year ended June 30, 2010 were as follows:

	Beginning Balance	Additions	Deletions	Accumulated Depreciation	Net Ending Balance
Land	\$ 145,613	\$ -	\$ -	\$ -	\$ 145,613
Buildings	365,373	4,072	-	240,494	128,951
Furniture and fixtures	2,469	-	-	2,348	121
Totals	<u>\$ 513,455</u>	<u>\$ 4,072</u>	<u>\$ -</u>	<u>\$ 242,842</u>	<u>\$ 274,685</u>

Depreciation expense of \$11,731 was reported in the statement of activities as business-type activities for the year ended June 30, 2010.

8) CAPITAL PROJECTS

At June 30, 2010, the amounts reserved and designated for capital projects were as follows:

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 2010</u>	<u>Reserved Fund Balance</u>	<u>Designated Fund Balance</u>
<u>General Fund</u>				
H. L. Bourgeois and Terrebonne High Schools 9th Grade Expansion Project Construction	\$ 500,000	\$ -	\$ -	\$ 500,000
Total General Fund	\$ 500,000	\$ -	\$ -	\$ 500,000
<u>Other Governmental Funds:</u>				
<u>1% Sales Tax Fund:</u>				
Terrebonne High School Industrial Arts Building - Roof Construction	\$ 70,300	\$ -	\$ -	\$ 70,300
Professional fees	-	-	-	-
Total	70,300	-	-	70,300
Caldwell Middle - Roof Construction	915,000	436,403	478,597	-
Professional fees	35,000	34,307	693	-
Total	950,000	470,710	479,290	-
Dularge Middle - Roof Construction	853,357	690,702	162,655	-
Professional fees	38,000	37,458	542	-
Total	891,357	728,160	163,197	-
Coteau Bayou Blue - Roof Construction	720,851	216,187	504,664	-
Professional fees	45,000	43,504	1,496	-
Total	765,851	259,691	506,160	-
Lacache Middle - Heating Construction	222,252	-	-	222,252
Professional fees	18,129	18,129	-	-
Total	240,381	18,129	-	222,252
Schriever Elementary - Heating Construction	436,658	-	-	436,658
Professional fees	9,762	9,762	-	-
Total	446,420	9,762	-	436,658
Designated for Future Projects	-	-	-	1,545,812
Total 1% Sales Tax Fund	\$ 3,364,309	\$ 1,486,452	\$ 1,148,647	\$ 2,275,022

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 2010</u>	<u>Reserved Fund Balance</u>	<u>Designated Fund Balance</u>
<u>Building Fund:</u>				
Bourg Elemenatry - Drainage Construction	\$ 20,589	\$ -	\$ -	\$ 20,589
Evergreen Jr. High - Gym Partition Construction & Professional fees	15,000	-	-	15,000
PA/Intercom System Construction	4,871	-	-	4,871
Houma Jr. High - Gym Partition Construction & Professional fees	15,000	-	-	15,000
South Terrebonne High - Stadium Lighting Construction & Professional fees	500,000	48,675	451,325	-
Portable relocation	9,357	-	-	9,357
Exterior Door Replacements	342,475	-	-	342,475
<u>Modular Buildings:</u>				
Acadian Elementary	757,946	741,485	16,461	-
Bourg Elementary	736,828	736,828	-	-
Broadmoor Elementary	841,060	819,942	21,118	-
Caldwell Middle	772,776	772,776	-	-
Couteau Bayou Blue	867,000	864,898	2,102	-
Grand Caillou Elementary	703,335	664,490	38,845	-
East Houma	1,111,442	1,017,986	93,456	-
Honduras Elementary	757,946	716,621	41,325	-
Lisa Park Elementary	797,152	797,152	-	-
Oakshire Elementary	727,297	727,297	-	-
Schriever Elementary	757,947	728,904	29,043	-
Total Modular Buildings	8,830,729	8,588,379	242,350	-
Total Building Fund	\$ 9,738,021	\$ 8,637,054	\$ 693,675	\$ 407,292
Total Construction In Progress	\$ 13,602,330	\$ 10,123,506	\$ 1,842,322	\$ 3,182,314

9) LONG-TERM OBLIGATIONS

a) Summary of General Long-term Obligations:

The following is a summary of the changes in general long-term obligations for the year ended June 30, 2010:

	Payable at June 30, 2009	Additions	Reductions	Payable at June 30, 2010
QZAB Loan Debt	\$ 487,012	\$ -	\$ 74,925	\$ 412,087
QSCB Bonds	-	10,000,000	-	10,000,000
Compensated Absences	7,916,734	229,451	512,705	7,633,480
Other post employment benefits	10,441,146	8,749,880	-	19,191,026
Totals	<u>\$ 18,844,892</u>	<u>\$ 18,979,331</u>	<u>\$ 587,630</u>	<u>\$ 37,236,593</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2010:

	QZAB Loan	QSCB Bonds	Compensated Absences	Other Post Employment Benefits	Total
Current	\$ 74,925	\$ -	\$ 494,360	\$ -	\$ 569,285
Long-Term	<u>337,162</u>	<u>10,000,000</u>	<u>7,139,120</u>	<u>19,191,026</u>	<u>36,667,308</u>
Totals	<u>\$ 412,087</u>	<u>\$ 10,000,000</u>	<u>\$ 7,633,480</u>	<u>\$ 19,191,026</u>	<u>\$ 37,236,593</u>

b) **Qualified School Construction Bonds:**

On October 6, 2009, the Board authorized the issuance of Ten Million Dollars (\$10,000,000) of Revenue Bonds (Taxable QSCB), series 2009, of the Parish School Board of the Parish of Terrebonne, State of Louisiana (the Issuer).

This Bond represents the entire principal amount of an authorized issue aggregating in principal the sum of Ten Million Dollars (\$10,000,000) of Revenue Bonds (Taxable QSCB), Series 2009 (the Bonds), of the Issuer, for the purpose of construction, rehabilitation or repair of public school facilities within the jurisdiction of the Issuer, including equipping of school facilities improved with Bond proceeds, and paying the costs of issuance thereof, under the authority conferred by Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

This Bond is secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of a special tax of three and sixty-eight hundredths (3.68) mills (such rate being subject to adjustment from time to time due to reassessment), which the Issuer is authorized to impose and collect in each year. Such special tax has been authorized to be levied on all the property subject to taxation within the corporate boundaries of the Issuer.

Although the property tax millage is pledged as security, the debt service will be paid from the One Cent Sales Tax proceeds from the 17% not dedicated to compensation.

For the payment of the principal of the Bonds, a special fund known as "Parish School Board of the Parish of Terrebonne, State of Louisiana, Revenue Bonds (Taxable QSCB), Series 2009, Sinking Fund" has been established and maintained. Said Sinking Fund has been established and maintained with Regions Bank (the Paying Agent). The bonds bear interest at 1.04%, payable quarterly. The Bond will mature on October 1, 2024. The sum of all cash and investments held in the Sinking Fund shall equal, as close as is reasonably possible, the Required Principal Account Value set forth below on the relevant Principal Account Deposit Date:

<u>Year Ending June 30,</u>	<u>Required Principal Account Value</u>
2011	\$ 666,666
2012	1,333,333
2013	2,000,000
2014	2,666,666
2015	3,333,333
2016 and thereafter	10,000,000

c) **Qualified Zone Academy Bonds:**

On February 15, 2003, the School Board entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) in the amount of \$1,030,218 for the purpose of constructing various capital projects. The bonds will mature on November 15, 2015, and there is no interest element attached to the loan. The principal is due in quarterly payments of \$18,731 payable from general fund revenues.

d) The annual debt service requirements including interest to amortize all long-term obligations outstanding at June 30, 2010 other than compensated absences are as follows:

Year Ending June 30,	QZAB	QSCB	Total
2011	\$ 74,925	\$ 104,000	\$ 178,925
2012	74,925	104,000	178,925
2013	74,925	104,000	178,925
2014	74,925	104,000	178,925
2015	74,925	104,000	178,925
Thereafter	37,462	11,040,000	11,077,462
Totals	412,087	11,560,000	11,972,087
Less:			
Interest	-	1,560,000	1,560,000
Net Amount	\$ 412,087	\$ 10,000,000	\$ 10,412,087

10) **RETIREMENT SYSTEMS**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. **Teachers' Retirement System of Louisiana (TRS)**

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A (Plan A is being phased out; no new employees are allowed to join), and

Optional Retirement System. The TRS provides retirement benefits as well as disability and survivor benefits. Five years of service credit is required to become vested for retirement, disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute a percentage of their annual covered salary for the Regular Plan, Plan A, and Optional Retirement System. The School Board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

Contributions required and made to the TRS were as follows:

Fiscal year ended June 30,	2010	2009	2008
TRS Regular:			
Member contribution %	8.00%	8.00%	8.00%
Employer contribution %	15.50%	15.50%	16.60%
Member contribution \$	\$ 7,348,793	\$ 7,280,464	\$ 7,062,590
Employer contribution \$	\$ 14,240,660	\$ 14,105,903	\$ 14,654,887
TRS-Plan A:			
Member contribution %	9.10%	9.10%	9.10%
Employer contribution %	15.50%	15.50%	16.60%
Member contribution \$	\$ 22,149	\$ 24,512	\$ 33,292
Employer contribution \$	\$ 42,596	\$ 48,324	\$ 66,064
TRS-Optional:			
Member contribution %	8.00%	8.00%	8.00%
Employer contribution %	15.50%	15.50%	16.60%
Member contribution \$	\$ 9,806	\$ 12,360	\$ 11,320
Employer contribution \$	\$ 19,000	\$ 23,947	\$ 23,489

Analysis of Funding Progress. An analysis of the funding progress for TRS over the last three fiscal years for which information is available follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2007	\$ 14,812.3	\$ 20,772.3	71.3%	\$ 5,960.0	\$ 3,224.6	185%
2008	\$ 15,507.8	\$ 22,090.5	70.2%	\$ 6,582.7	\$ 3,675.0	179%
2009	\$ 13,500.8	\$ 22,839.4	59.1%	\$ 9,338.6	\$ 3,912.3	239%

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained in writing to the Louisiana School Employees' Retirement System, 8660 United Plaza Blvd., 1st Floor, Baton Rouge, Louisiana 70809, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute a percentage of their annual covered salary and the school board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

Contributions required and made to the LSERS were as follows:

Fiscal year ended June 30,	2010	2009	2008
Member contribution %	7.50%	7.50%	7.50%
Employer contribution %	17.60%	18.10%	18.10%
Member contribution \$	\$ 552,282	\$ 575,376	\$ 550,226
Employer contribution \$	\$ 1,300,117	\$ 1,374,851	\$ 1,338,318

Analysis of Funding Progress. An analysis of the funding progress for LSERS over the latest three available fiscal years follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2007	\$ 1,558,328	\$ 1,947,603	80.0%	\$ 389,275	\$ 259,045	150%
2008	\$ 1,578,991	\$ 2,060,242	76.6%	\$ 481,251	\$ 289,259	166%
2009	\$ 1,410,316	\$ 2,153,360	65.5%	\$ 743,044	\$ 315,400	236%

C. Other Plans

The School Board participates in the Parochial Employees' Retirement System. This plan covers 2 employees (members of the School Board) who are not included in one of the other plans. For the year ended June 30, 2010, the School Board made contributions of \$2,688 and the employees made contributions of \$1,824.

Under the previous Public Law 99-272 (the Consolidated Omnibus Budget Reconciliation Act of 1985), all new employees hired after March 31, 1986 are required to be covered by Medicare Part A in addition to membership in any of the State retirement systems. The contribution rate is 1.45%, matched by the School Board. The School Board made contributions of \$1,359,406 for the year ended June 30, 2010. There were 2,564 full-time employees covered under this plan.

11) DEFERRED COMPENSATION PLAN

Employees of the School Board have the option to participate in several deferred compensation programs (tax sheltered annuities) as defined by Internal Revenue Code Section 403(b). The School Board has the responsibility for withholding and remitting contributions from participants to the plans. The various insurance companies who serve as administrators have the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specification and reporting quarterly to the participant on the status of the plans. Current plan reports are provided to participating employees by their respective insurance company.

12) DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at June 30, 2010 are as follows:

	Due From	Due To
GENERAL FUND:		
3/4% Sales Tax Fund	\$ 2,401,819	\$ 1,154
1% Sales Tax Fund	2,851,590	-
Child Nutrition Fund	461,130	61,784
Bond Fund	3,068	-
Nonmajor Funds	8,751,406	2,117,710
Proprietary Funds	1,362	151,160
Fiduciary Funds	-	37
Total	<u>14,470,375</u>	<u>2,331,845</u>
3/4% SALES TAX FUND		
General Fund	<u>1,154</u>	<u>2,401,819</u>
1% SALES TAX FUND		
General Fund	-	2,851,590
Proprietary Funds	-	74,446
Total	<u>-</u>	<u>2,926,036</u>
BOND FUND		
General Fund	<u>-</u>	<u>3,068</u>
CHILD NUTRITION FUND		
General Fund	61,784	461,130
Proprietary Funds	-	29,692
Total	<u>61,784</u>	<u>490,822</u>
NONMAJOR FUNDS		
General Fund	2,117,710	8,751,406
Proprietary Funds	-	22,122
Total	<u>2,117,710</u>	<u>8,773,528</u>
PROPRIETARY FUNDS		
General Fund	151,160	1,362
1% Sales Tax Fund	74,446	-
Child Nutrition Fund	29,692	-
Nonmajor Funds	22,122	-
Total	<u>277,420</u>	<u>1,362</u>
FIDUCIARY FUNDS		
General Fund	<u>37</u>	<u>-</u>
TOTALS	<u>\$ 16,928,480</u>	<u>\$ 16,928,480</u>

Due to/from general fund represents cost paid from the general fund bank account on behalf of individual funds that do not have checking accounts. These receivables and payables reverse in the normal course of operations.

13) TRANSFERS AND OTHER FINANCING SOURCES AND USES

Certain activities reported in specific funds are supported by transfers of current revenue from the General Fund, the 3/4% Sales Tax Fund and the 1% Sales Tax Fund. Transfers during the year ended June 30, 2010 consisted of:

	Transfers	
	In	Out
GENERAL FUND:		
3/4% Sales Tax Fund	\$ 12,590,707	\$ -
Child Nutrition Fund	-	445,429
Nonmajor funds	176,419	287,627
Internal Service Funds	-	1,912,307
Total	12,767,126	2,645,363
3/4% SALES TAX FUND		
General Fund	-	12,590,707
Nonmajor funds	-	904,997
Total	-	13,495,704
CHILD NUTRITION FUND		
General Fund	445,429	-
Total	445,429	-
NONMAJOR FUNDS		
General Fund	287,627	176,419
3/4% Sales Tax Fund	904,997	-
Total	1,192,624	176,419
INTERNAL SERVICE FUNDS		
General Fund	1,912,307	-
Total	1,912,307	-
Totals	\$ 16,317,486	\$ 16,317,486

Other financing sources (uses) consisted of:

	General Fund	Other Governmental Funds	Totals
Property disposals	\$ 10,277	\$ 2,213	\$ 12,490
Disaster support	-	882,911	882,911
Administrative fee	15,271	-	15,271
Judgments/settlements	-	74,130	74,130
Honduras School site lease	(8,400)	-	(8,400)
Bond proceeds	-	10,000,000	10,000,000
Bond issuance costs	-	(60,165)	(60,165)
Total governmental funds	\$ 17,148	\$ 10,899,089	\$ 10,916,237

14) FUND BALANCE RESERVES AND DESIGNATIONS

A summary of changes in fund balance reserves and designations follows:

<u>Fund/Description</u>	<u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>
GENERAL FUND:				
Reserved:				
Deposits	\$ 100	\$ -	\$ -	\$ 100
Designated:				
Capital Project	500,000	-	-	500,000
Bus Cameras	60,000		60,000	-
ONE CENT SALES TAX FUND:				
Reserved:				
Capital Contracts	1,448,434	-	299,786	1,148,648
Technology	500,000	-	-	500,000
Designated:				
Capital Contracts	1,557,610	717,412	-	2,275,022
Technology	918,789	438,049	-	1,356,838
Employee Compensation	2,427,524		1,042,256	1,385,268
3/4 CENT SALES TAX FUND:				
Designated:				
Subsequent Year's Expenditures	684,540	-	79,508	605,032
Instructional Programs	4,491,155	896,997	-	5,388,152
BOND FUND:				
Reserved:				
Capital Contracts	188,901	9,947,504	-	10,136,405
OTHER NON-MAJOR FUNDS:				
Reserved:				
Capital Projects	923,875	-	230,200	693,675
Designated:				
Capital Projects	421,789	-	14,497	407,292
Instructional Programs	1,732,840	-	72,048	1,660,792

Reservations of fund balance are established to indicate that portions of the fund balance that are not appropriable for expenditures or that are legally segregated for a specific future use. Designations are established to indicate tentative plans for financial resource utilization in a future period.

Reserved for Deposits:

These reserves were established as an offset against the asset accounts that do not constitute available spendable resources.

Reserved for Debt Service

This amount represents balances in the Debt Service Fund reserved for the payment of principal and interest on debt.

Reserved for Capital Contracts:

This amount represents amounts reserved by the School Board for future expenditures on construction contract commitments and purchases of equipment.

Designated for Capital Contracts:

This amount represents the amount designated by the School Board for future expenditures on construction contracts and purchases of equipment.

Designated for Employee Compensation:

This amount represents the amount designated for paying increased compensation and related employment costs of teachers and other full time personnel except management positions.

Designated for Instructional Programs:

This amount represents the amounts designated by the School Board for future expenditures for Instructional Programs.

Designated for Technology:

This amount represents the amount designated for providing, operating and maintaining computers and high technology.

15) POST EMPLOYMENT BENEFITS

Plan Description. The Terrebonne Parish School Board Employee Benefit Group Insurance Plan extends post employment medical and life insurance benefits to qualifying retirees. Eligibility is achieved upon completion of thirty (30) years of service (any age), twenty-five (25) years of service if 55, or ten (10) years of service (if 60 or older). The Employee Benefit Group insurance Plan is a self-funded, single-employer defined benefit plan administered by Gilsbar, Inc. The plan covers approximately 3,900 participants of which approximately 1,300 are retired and receiving benefits. The plan does not issue a stand-alone financial report.

Contribution Rates. The contribution requirements of plan members and the School Board are established and may be amended by the Board. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ended June 30, 2010, the School Board contributed \$6,677,693 (78.3%) of the cost of benefits. Retirees contributed \$1,849,104 (21.7%) of the total cost through their required contribution of \$106 per month for retiree-only coverage and \$400 for retiree and spouse coverage.

Certain retirees pay less than the full required monthly contribution shown above. Retirees with Medicare coverage pay only 60% of the monthly premium. Retirees who retired before March 1, 1977 or who had thirty (30) years of service at July 1, 1989 pay no premiums. Employees with more than ten (10) years but less than thirty (30) years of service at July 1, 1989 pay between 3.43% and 66.67% of the monthly premium based on their years of service at July 1, 1989.

Funding Policy. Until fiscal year ending June 30, 2007, the School Board recognized the cost of providing post employment medical benefits (the School Board's share of the retiree medical premiums) on a pay-as-you-go basis – recording an expense when the premiums were due.

Beginning July 1, 2008, the School Board prospectively implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45), which requires the liability for these benefits be accrued as they are earned by employees.

Annual Required Contribution. The School Boards Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is equal to the normal cost plus an amount necessary to amortize the Unfunded Actuarial Liability over a period of thirty (30) years. A level dollar, open amortization period has been used. The total ARC for the fiscal year beginning July 1, 2009, is \$15,613,741 as set forth below:

Normal cost	\$ 4,419,743
30-year UAL amortization amount	<u>11,193,998</u>
Annual required contribution (ARC)	<u>\$ 15,613,741</u>

Net Post Employment Benefit Obligation. The School Board's Net Other Post Employment Benefit (OPEB) Obligation for the fiscal year ended June 30, 2010, follows:

Net OPEB obligation at July 1, 2009	\$ 10,441,146
Annual required contribution	15,613,741
Interest on net OPEB obligation	417,646
ARC adjustment	<u>(603,814)</u>
OPEB cost	15,427,573
Current year retiree cost paid	<u>(6,677,693)</u>
Current change in OPEB obligation	<u>8,749,880</u>
Net OPEB obligation at June 30, 2010	<u>\$ 19,191,026</u>

The annual post employment benefits cost, percentage of the cost contributed, and the net unfunded post employment benefits liability (asset) for the fiscal year ended June 30, 2010, follow:

<u>Post Employment Benefit</u>	<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
Medical and Life	June 30, 2010	\$ 15,427,573	43.28%	\$ 19,191,026

Funded Status and Funding Progress. The School Board has not established a benefit plan trust and has made no contributions to this plan other than its current share of retiree premiums. At June 30, 2010, the plan has no assets and its funded ratio is zero. At July 1, 2009, the date of its most recent actuarial valuation, the Actuarial Accrued Liability (AAL) – The portion of the actuarial present value of post employment benefits not provided by normal cost – was \$193,568,636. Since the plan has no assets, the entire AAL is unfunded. Covered payroll of active plan members was \$108,882,221 and the Unfunded AAL (UAAL) was 178% of covered payroll.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the Unit Credit Cost Method was used. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover. The actuarial assumptions included a 4 percent investment return and an annual healthcare cost trend rate of 8 percent initially, reduced gradually to an ultimate rate of 5 percent after 10 years. There were no plan assets at the time of the initial valuation but it is anticipated that in future valuations, a smoothed market value consistent with Actuarial Standards Board ASOP 6 will be used, as provided in paragraph number 125 of GASB 45.

16) **MINIMUM FOUNDATION PROGRAM**

In order to attempt to provide a statewide minimum level of education and purportedly guarantee children equal opportunity to the minimum level, the State Department of Education distributes funds to parish school systems under a computational method (formula).

The formula is a statistical model using data from parish financial reports, weighted student population counts, a relative wealth indicator, and a base amount per pupil to allocate funds to parishes under a basic assumption of a 65/35 percent state/parish funding split, subject to the effects of the relative wealth factor. The current year pupil population count is based on data as of October 1, 2009.

The school board must ensure that seventy percent of the state funds are expended on instruction. The definitions of instruction shall provide for: (1) salaries, employee benefits, purchased professional and technical services, instructional materials and supplies, and instructional equipment; (2) pupil support activities; and (3) instructional

staff activities. Also required by the formula is that \$24.32 be spent per pupil on textbooks and instructional materials. Further, the state minimum salary schedules for teachers must continue to be implemented.

Equalization funding received from the State of Louisiana for the year ended June 30, 2010 was \$84,272,986. Of that total, \$83,951,225 was allocated to the General Fund and \$321,761, was allocated to Special Revenue Funds.

17) COMMITMENTS AND CONTINGENCIES

Litigation:

The School Board is subject to legal proceedings which arise in the normal course of operations. In the opinion of the School Board, the outcome of these proceedings will not materially affect the accompanying general purpose financial statements, and accordingly, no provision for losses has been recorded.

Federal and State Grant Awards:

The School Board received funding under grants from various federal and state governmental agencies. These grants specify the purpose for which the grant moneys are to be used and such grants are subject to audit by the granting agency or its representative. Certain grant moneys received in prior years have not been expended and may require reimbursement to the granting agency.

18) SUBSEQUENT EVENTS

Management evaluates events subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 21, 2010, the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION PART II

**REQUIRED SUPPLEMENTAL INFORMATION
MAJOR FUND TYPE
FUND DESCRIPTIONS**

Terrebonne Parish School Board

June 30, 2010

General Fund

The General Fund is the primary operating fund of the School Board and receives most of the revenues derived by the School Board from local sources (principally property and sales taxes) and state sources (principally equalization funding). General Fund expenditures represent the costs of general school system operations and include functional categories of instructional and support services. The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

One Cent Sales Tax Fund (1996)

The Citizens of Terrebonne Parish authorized a 1% sales and use tax effective July 1, 1996. The sales tax is to provide for increased compensation and related employment costs of teachers and other full-time personnel except management positions; operating and maintaining computers and high technology; and replacement, repair, and maintenance of roofs and mechanical equipment. This fund accounts for the receipt and disbursement of the 1-cent sales tax, a local funding source, therefore this fund is classified as a Local Special Revenue Fund.

¾ Cent Sales Tax Fund (1976)

This fund is used to monitor collections and uses of a ¾ of 1% local sales and use tax. The fund serves partially as a conduit for the transfers of monies to other funds. Operating transfers are made to the General Fund for salary and benefit expenses, and support of plant operation and instruction related expenditures. Fund expenditures include various instruction and instruction support items. This fund is classified as a Local Special Revenue Fund because of its local funding sources.

Child Nutrition Fund

The Child Nutrition Fund accounts for activities relating to the operations of the School Board's lunch, breakfast, and summer feedings programs. The meals are provided for free or at a reduced price through subsidies from the State and Federal Government. The bulk of the funding is from Federal sources; therefore, this fund is classified as a Federal Special Revenue Fund.

Bond Fund

The Bond Fund is used to account for the resources received from Qualified School Construction Bonds and expenditures for the acquisition, construction, and improvement of capital facilities.

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Ad valorem tax	\$ 6,075,208	\$ 6,159,740	\$ 6,289,965	\$ 130,225
Sales and use tax	8,477,952	7,144,090	7,054,488	(89,602)
Deductions from parish taxes (1%) for contribution to Teachers Retirement System	693,060	697,982	708,699	10,717
Rents, leases, royalties	899,700	475,900	286,477	(189,423)
Tuition	592,246	679,240	658,319	(20,921)
Interest earned	151,600	56,260	35,712	(20,548)
Other local revenue	412,350	600,200	1,064,739	464,539
State sources:				
Equalization	85,853,972	83,267,628	83,951,225	683,597
Revenue sharing	229,068	229,068	224,178	(4,890)
Professional Improvement Program Support	190,842	178,374	185,325	6,951
Contribution to Teachers' Retirement System	18,985	20,922	24,798	3,876
Other state grants	622,622	759,881	683,838	(76,043)
Total revenues	104,217,605	100,269,285	101,167,763	898,478
EXPENDITURES				
Current:				
Instruction:				
Regular	50,520,012	49,541,613	48,960,903	580,710
Special	16,690,891	17,046,596	16,881,772	164,824
Adult education	4,800	14,182	16,360	(2,178)
Vocational education	3,267,272	3,427,157	3,392,026	35,131
Other programs	4,241,698	4,365,995	4,277,744	88,251
Support services:				
Student services	4,921,275	5,022,917	4,855,546	167,371
Instructional staff	5,826,434	5,285,899	4,778,926	506,973
General administration	1,259,576	1,331,803	1,331,070	733
School administration	7,289,715	7,234,428	7,185,577	48,851
Business services	1,589,648	1,665,024	1,643,077	21,947
Plant services	11,916,972	11,819,147	11,366,055	453,092
Food service	583,402	580,938	591,803	(10,865)
Student transportation	7,681,608	7,557,671	7,165,747	391,924
Central services	1,170,590	1,108,916	1,082,988	25,928
Community services	-	-	2,704	(2,704)
Facilities acquisition	24,000	95,500	147,837	(52,337)
Debt Service:				
Principal retirement	74,925	74,925	74,925	-
Total expenditures	117,062,816	116,172,711	113,755,060	2,417,651
Excess (deficiency) of revenues over expenditures	(12,845,211)	(15,903,426)	(12,587,297)	3,316,129

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	15,339,459	12,969,637	12,767,126	(202,511)
Operating transfers out	(2,903,043)	(2,659,443)	(2,645,363)	14,080
Indirect costs	752,645	1,271,773	1,128,976	142,797
Other sources	9,600	8,700	17,148	8,448
Total other financing sources (uses)	13,198,661	11,590,667	11,267,887	(37,186)
<u>EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES)</u>	353,450	(4,312,759)	(1,319,410)	2,993,349
<u>FUND BALANCES</u>				
Beginning of year	5,700,606	9,119,281	9,119,281	-
Equity transfer	-	35,000	35,000	-
End of year	\$ 6,054,056	\$ 4,841,522	\$ 7,834,871	\$ 2,993,349

BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
Terrebonne Parish School Board
For the Year ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Local sources:				
Charges for services	\$ 1,479,553	\$ 1,540,502	\$ 1,455,622	\$ (84,880)
Interest earned	1,490	150	117	(33)
Other local revenue	-	1,000	17,877	16,877
State sources	316,987	316,987	321,761	4,774
Federal sources	6,566,911	6,744,368	6,677,014	(67,354)
Total revenues	<u>8,364,941</u>	<u>8,603,007</u>	<u>8,472,391</u>	<u>(130,616)</u>
<u>EXPENDITURES</u>				
Food service	<u>8,568,310</u>	<u>8,785,403</u>	<u>8,627,769</u>	<u>157,634</u>
Excess (deficiency) of revenues over expenditures	(203,369)	(182,396)	(155,378)	27,018
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	<u>411,020</u>	<u>442,080</u>	<u>445,429</u>	<u>3,349</u>
Total other financing sources (uses)	<u>411,020</u>	<u>442,080</u>	<u>445,429</u>	<u>3,349</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	207,651	259,684	290,051	30,367
<u>FUND BALANCES</u>				
Beginning of year	382,051	22,682	22,682	-
End of year	<u>\$ 589,702</u>	<u>\$ 282,366</u>	<u>\$ 312,733</u>	<u>\$ 30,367</u>

Schedule 3

BUGETARY COMPARISON SCHEDULE
ONE CENT SALES TAX FUND (1996)
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Local sources:				
Sales and use tax	\$ 25,434,098	\$ 21,432,181	\$ 21,163,465	\$ (268,716)
Interest earned	86,000	57,000	32,415	(24,585)
Other local revenue	-	-	327,154	327,154
Federal sources	-	916,690	916,777	87
Total revenues	<u>25,520,098</u>	<u>22,405,871</u>	<u>22,439,811</u>	<u>33,940</u>
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular	8,326,958	9,183,813	9,139,070	44,743
Special	2,640,524	3,044,593	3,013,706	30,887
Adult education	57,425	55,811	55,161	650
Vocational education	448,702	514,064	508,695	5,369
Other programs	1,750,450	2,116,555	2,097,260	19,295
Support services:				
Student services	854,909	983,909	967,475	16,434
Instructional staff	1,004,604	1,105,352	1,135,988	(30,636)
General administration	270,801	253,235	288,424	(35,189)
School administration	814,903	918,558	910,697	7,861
Business services	326,157	163,544	161,794	1,750
Plant services	941,265	1,048,646	1,043,302	5,344
Food service	833,921	911,887	889,363	22,524
Student transportation	744,928	880,266	869,512	10,754
Central services	92,643	262,995	259,587	3,408
Facilities acquisition	-	3,918,394	1,796,057	2,122,337
Debt service interest	-	-	56,044	(56,044)
Total expenditures	<u>19,108,190</u>	<u>25,361,622</u>	<u>23,192,135</u>	<u>2,169,487</u>
Excess (deficiency) of revenues over expenditures	<u>6,411,908</u>	<u>(2,955,751)</u>	<u>(752,324)</u>	<u>2,203,427</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	(2,000,000)	-	-	
Other sources	-	824,005	565,743	(258,262)
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>824,005</u>	<u>565,743</u>	<u>(258,262)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>				
	<u>4,411,908</u>	<u>(2,131,746)</u>	<u>(186,581)</u>	<u>1,945,165</u>
<u>FUND BALANCES</u>				
Beginning of year	3,747,428	6,852,357	6,852,357	-
End of year	<u>\$ 8,159,336</u>	<u>\$ 4,720,611</u>	<u>\$ 6,665,776</u>	<u>\$ 1,945,165</u>

BUDGETARY COMPARISON SCHEDULE
3/4 CENT SALES TAX FUND (1976)
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Local sources:				
Sales and use tax	\$ 19,075,574	\$ 16,074,202	\$ 15,872,599	\$ (201,603)
Interest earned	79,000	80,000	52,915	(27,085)
Total revenues	<u>19,154,574</u>	<u>16,154,202</u>	<u>15,925,514</u>	<u>(228,688)</u>
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular	1,511,095	2,502,942	1,217,637	1,285,305
Special	5,000	8,854	1,798	7,056
Vocational education	107,150	153,902	76,275	77,627
Other programs	149,505	163,357	82,145	81,212
Support services:				
Student services	6,500	6,500	6,092	408
Instructional staff	27,435	59,345	25,638	33,707
General administration	180,678	179,678	197,111	(17,433)
School administration	6,000	6,000	5,625	375
Total expenditures	<u>1,993,363</u>	<u>3,080,578</u>	<u>1,612,321</u>	<u>1,468,257</u>
Excess (deficiency) of revenues over expenditures	<u>17,161,211</u>	<u>13,073,624</u>	<u>14,313,193</u>	<u>1,239,569</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in				-
Operating transfers out	(16,155,745)	(13,609,505)	(13,495,704)	(113,801)
Total other financing sources (uses)	<u>(16,155,745)</u>	<u>(13,609,505)</u>	<u>(13,495,704)</u>	<u>(113,801)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>				
	<u>1,005,466</u>	<u>(535,881)</u>	<u>817,489</u>	<u>1,353,370</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>4,154,390</u>	<u>5,175,695</u>	<u>5,175,695</u>	<u>-</u>
End of year	<u>\$ 5,159,856</u>	<u>\$ 4,639,814</u>	<u>\$ 5,993,184</u>	<u>\$ 1,353,370</u>

BUDGETARY COMPARISON SCHEDULE
BOND FUND
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Local sources:				
Sales and use tax	\$ -	\$ -	\$ 2	\$ 2
Interest earned	9,800	9,800	10,736	936
Total revenues	<u>9,800</u>	<u>9,800</u>	<u>10,738</u>	<u>938</u>
<u>EXPENDITURES</u>				
Facilities acquisition	-	-	3,069	3,069
Det Student services	61,000	61,000	60,165	835
Total expenditures	<u>61,000</u>	<u>61,000</u>	<u>63,234</u>	<u>(2,234)</u>
Excess (deficiency) of revenues over expenditures	(51,200)	(51,200)	(52,496)	(1,296)
<u>OTHER FINANCING SOURCES (USES)</u>				
Other sources	10,000,000	10,000,000	10,000,000	-
Total other financing sources (uses)	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>9,948,800</u>	<u>9,948,800</u>	<u>9,947,504</u>	<u>(1,296)</u>
<u>FUND BALANCES</u>				
Beginning of year	188,901	188,901	188,901	-
End of year	<u>\$ 10,137,701</u>	<u>\$ 10,137,701</u>	<u>\$ 10,136,405</u>	<u>\$ (1,296)</u>

Schedule 6

Terrebonne Parish School Board
Schedule of Funding Progress
For the Year Ended June 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2008	-	\$ 196,037,534	\$ 196,037,534	0%	\$ 104,785,924	187%
July 1, 2009	-	\$ 196,037,534	\$ 196,037,534	0%	\$ 107,989,519	182%
July 1, 2010	-	\$ 193,568,636	\$ 193,568,636	0%	\$ 108,882,221	178%

SUPPLEMENTAL INFORMATION SECTION

**SUPPLEMENTAL INFORMATION
NON-MAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
Terrebonne Parish School Board
June 30, 2010**

FEDERAL FUNDS

NCLB – Title I Disadvantaged Schoolwide Fund

The No Child Left Behind (NCLB) Act of 2001 is a reform-based law that seeks to close entirely the achievement gap between disadvantaged and minority students and their peers and to increase academic achievement among all students.

This fund is used to monitor services provided to educationally-disadvantaged children attending schools in Terrebonne Parish that qualify as target areas because of low socio-economic factors. Funds are received through the State from federally-funded educational programs; therefore, this fund is classified as a Federal Special Revenue Fund. The primary activity is the instruction of students with some support services to assist the academic program in either a reading or math lab setting. All twenty-five Title I schools are elected to enter a "Schoolwide Program." This program allows each school the opportunity to provide assistance to all students. These schools may change personnel, services, and/or support programs to fit the need of the individual school.

Federal Adult Education Fund

The Federal Adult Education Program is designed to expand and improve educational opportunities to students 16 years of age or older, not currently enrolled in school, and lacking a high school diploma or the basic skills to function effectively in the workplace. The curriculum offered intends to prepare the student for the high school equivalency examination. Students successfully completing the examination are awarded a General Education Development (GED) diploma.

Federal Vocational Education Fund

The Federal Vocational Educational Fund was established to monitor expenditures of monies received from Federal Vocational Education grants through the State Department of Education. Funding for this grant is through the Carl D. Perkins Act. Expenditures include salaries and benefits, administrative cost, and the purchase of equipment and supplies.

NCLB - Title VII Indian Education Fund

This fund is used to provide a program designed to assist deprived Indian students. Funds are obtained by Federal grants directly from the U. S. Department of Education, Office of Indian Education, and are provided for salaries and benefits, tutorial stipends with benefits, cultural presenters, instructional and cultural supplies, registration fees and travel.

Special Education PL 101-476 Individuals with Disabilities Education Act (IDEA) Fund

These Federal funds are allocated under Part B of the Education for the Handicapped Act as amended by PL 101-476. Such funds are awarded through the State Department of Education and are based on the number of identified handicapped students being served as of the December child count. Funds are used for salaries, contracted services, materials, supplies, travel, equipment, and other expenses necessary to provide full educational opportunities to exceptional children.

NCLB - Title II – Part A and Part D

The Title II - Part A funds are provided to increase student academic achievement through strategies such as preparing, training, and improving teacher and principal quality, as well as increasing the number of highly qualified teachers in the classrooms and highly qualified principals and assistant principals in the schools. Local Educational Agencies and schools will be accountable for improvements in student academic achievement. Part D funds are provided to assist high need school systems in improving student achievement through the effective use of technology.

NCLB - Title IV Fund, Part A and Part B

As a result of the No Child Left Behind Act of 2001, the 21st Century Community Learning Centers Fund and the IASA Title IV Safe and Drug-Free Fund were combined as one fund entitled NCLB Title IV – Part A. The 21st Century Community Learning Centers Program was established by Congress to award grants to rural and inner-city public schools, to enable them to plan, implement, or expand projects that benefit the educational, health, social services, cultural and recreational needs of the community. Grants awarded under this program may be used to plan, implement, or expand community learning centers. Safe and Drug-Free education funds are being used to carry out a comprehensive drug and violence prevention program. Drug prevention programs supported with these funds shall convey a clear and consistent message that the illegal use of alcohol and other drugs is wrong and harmful. Participants in the program include all students in Terrebonne Parish public and non-public schools, grades kindergarten through twelve, teachers, and administrators

TANF- Block Grant Fund

The purpose of this grant is to assist low income families by providing quality early childhood education programs. This grant consists of only the LA 4 Pre kindergarten Program.

NCLB – Title III English Language Acquisition, Enhancement, and Academic Achievement Fund

This fund was established to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic content and student academic achievement standards as all children are expected to meet. These funds are allocated for purchasing instructional materials and supplies.

NCLB Title X – McKinney/Vento Homeless Assistance Act

The purpose of this grant is to ensure that each child of a homeless individual and each homeless youth have equal access to the same free, appropriate public education as any non-homeless child or youth. These grants are awarded on a three-year cycle with continuation grant applications filed annually.

NCLB Title I School Improvement

The purpose of this grant is to provide additional academic support and learning opportunities to help low-achieving children master challenging curriculum and meet state standards in core academic subjects.

Natural Disaster Fund

The purpose of this fund is to provide funds for local educational agencies to assist with the cost of educating students displaced hurricanes or other natural disasters. It also provides funds for immediate services or assistance relating to expenses to the restart of operations in the re-opening of, and the re-enrollment of students.

State Stabilization Fund – ARRA

The American Recovery and Reinvestment Act (ARRA) of 2009 is an economic stimulus package enacted by the Federal Government in February 2009. A portion of these funds, State Fiscal Stabilization Funds, were allocated to local school districts to aid them in preventing layoffs and cutbacks. The funds were used to pay for Performance Pay for employees of those schools who met or exceeded the state-established Growth Target, 10 Master Teacher positions, and a portion of LEAP Remediation and LEAP Summer School.

Child Nutrition – ARRA Funds

Terrebonne Parish received funding in the amount of \$20,000, through the Equipment Assistance Grants for School Food Authorities (SFAs) to purchase equipment for use in the local School Food Service program.

NCLB Title I – ARRA

Title I Part A-American Recovery and Reinvestment Act provides funding assistance to LEAs and schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students at risk of failing to meet State standards. Title I funds made available under the ARRA provide an unprecedented opportunity for educators to implement innovative strategies to improve education for academically at-risk students and to close the achievement gap in Title I schools.

NCLB Title II, Part D – ARRA

The ARRA Title II Education Technology State Grant is an award to assist high need school systems in improving student achievement through the effective use of technology. Grant funding will serve to enhance ongoing efforts to improve teaching and learning through the use of technology to support 21st Century technology classrooms.

NCLB Title X – ARRA

A portion of the ARRA funds were received as a supplement to the McKinney-Vento Homeless Assistance Act. These funds are to ensure that all homeless children and youth have equal access to the same free, appropriate public education as any non-homeless child or youth.

Special Education PL 101-476 Individuals with Disabilities Education Act (IDEA) – ARRA

The Individuals with Disabilities Education Act (IDEA) ARRA provides embedded principles of stronger accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work. IDEA funds made available to LEAs under ARRA provide the opportunity to address the needs of all students, plan activities for parents and teachers, combine resources, and track results.

STATE FUNDS

MFP Special Education Gifted Program Fund

These state funds are allocated for purchasing instructional materials, supplies and equipment for gifted programs. Funds are allocated based on the Minimum Foundation Program.

State Special Education Act 29/30 Fund

These state funds are allocated for exceptional children in need of extended school year programs. Exceptional students who have a documented significant loss of skill performance during a break in educational programming require an extended school year. The program usually runs for six weeks during the summer months. This program funds salaries of teachers, paraprofessionals, bus drivers, bus attendants, a nurse, a physical therapist, and instructional materials.

State Adult Education Fund

The Adult Education Program offers a basic and remedial academic curriculum to individuals who are at least 16 years of age or emancipated minors who have not obtained a high school diploma. The curriculum offered is intended to prepare the student for the High School Equivalency Examination. Students successfully completing the examination are awarded the High School Equivalency Diploma.

8(g) Superior Textbook, Library Book, Reference Material Fund

The funding for this grant is by the State BESE Board from the Louisiana Quality Education Support Fund, 8(g). The purpose of this grant is to provide textbooks and materials for remediation, Math, and/or Language Arts.

LA 4 Pre Kindergarten Fund

The LA 4 Pre kindergarten Program, which is modeled after the existing state-funded program for high-risk four year olds, establishes developmentally appropriate preschools for at-risk youth. Local LA 4 Pre-kindergarten Programs will adhere to the developmental philosophy as outlined by the National Association of Educators of Young Children.

8(g) Preschool/Block Grant Program Fund

This fund was established to monitor expenditures of the Early Childhood Development Program. The project is a state funded pre-school pilot program made available by Act 323 of the 1985 Louisiana Legislature. Funds are now made available through the 8(g) block Grant Allocation for Early Childhood Education. The early childhood at risk component serves eligible four-year-old students from low-income families who are determined to be at-risk. The program also serves children of low socio-economic backgrounds scoring a developmental age of 3 or 3 1/2 years

on the Brigance Preschool Screen for three and four year old children. The program specifically addresses the child's social, physical, and language needs.

State Library Allotment Fund

The State Library Allotment Fund was established to monitor expenditures of the library book monies. Each local school district must determine how much to expend in the three areas (textbooks, library books, school supplies), and handle their own purchasing and disbursing function.

State Textbooks and Materials Fund

The fund was established to monitor expenditures for the purchase of textbooks and instructional materials. Local school districts determine how to expend funds in these areas and handle their own purchasing and disbursing function. Accordingly, this fund monitors the portion of the state textbook and supplies monies allotted for textbooks and materials.

8(g) Block Grant Fund

This fund was established to monitor expenditures of 8(g) monies made available by the Louisiana Board of Elementary and Secondary Education (BESE). These funds can only be used to implement programs recommended by the Department of Education and approved by BESE.

Education Excellence Fund

The Education Excellence Fund is being established to monitor the expenditures of monies from the State Legislature Millennium Trust, which provides for the disposition of proceeds from the tobacco settlement. The Fund will provide a remediation program for 8th – 12th grade students, 16 or over who did not score at or above "Approaching Basic" on the 8th grade LEAP test and lack sufficient Carnegie credits to graduate in four years.

Miscellaneous State Grants

Miscellaneous small state grants were awarded as follows: Ensure Literacy and Numeracy for All is an initiative to have every student in Louisiana reading, writing, and achieving mathematics proficiency at or above grade level by the fourth grade; LA LEAD Cohort IV support local education agencies in efforts to identify, recruit, prepare, and maintain quality teacher leaders as future school and district leaders; and the H1N1 Vaccination Campaign is an initiative of the Office of Public Health to support the efforts of vaccinating our school-aged children who are identified as a high risk population for transmitting the illness.

LOCAL FUNDS

Child Care Program Fund

This program provides before and after school care in order for children to remain in a safe, secure and familiar environment of their schools while enjoying activities such as arts and crafts, indoor and outdoor games and educational videos. Time is also set aside each day for the child to complete homework assignments under adult supervision. Salaries and fringe benefits for the site coordinator and workers are tracked in this fund.

Building Fund

This fund was established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those projects financed by the proprietary fund).

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2010

	NCLB Title I Disadvantaged Schoolwide Fund	Federal Adult Education	Federal Vocational Education	NCLB Title VII Indian Education	Special Education PL 101-476	NCLB Title II	NCLB Title IV	TANF Block Grant
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	406	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental units:								
State Department of Education	2,291,540	45,573	98,971	-	1,730,100	375,024	41,449	416,883
United States Department of Education	-	-	-	91,844	-	212,452	-	-
Other units	35,199	42,303	-	-	-	1,191	-	-
Prepaid expenses	3,000	-	-	-	-	448	-	-
Total assets	<u>\$ 2,329,739</u>	<u>\$ 87,876</u>	<u>\$ 98,971</u>	<u>\$ 91,844</u>	<u>\$ 1,730,100</u>	<u>\$ 589,521</u>	<u>\$ 41,449</u>	<u>\$ 416,883</u>
LIABILITIES								
Accounts payable and other liabilities	\$ 8,488	\$ -	\$ -	\$ -	\$ 400	\$ 12,860	\$ -	\$ 50
Due to other funds	<u>2,321,251</u>	<u>87,876</u>	<u>98,971</u>	<u>91,844</u>	<u>1,729,700</u>	<u>576,661</u>	<u>41,449</u>	<u>416,833</u>
Total liabilities	<u>2,329,739</u>	<u>87,876</u>	<u>98,971</u>	<u>91,844</u>	<u>1,730,100</u>	<u>589,521</u>	<u>41,449</u>	<u>416,883</u>
FUND BALANCE								
Reserved:								
Capital contracts	-	-	-	-	-	-	-	-
Unreserved:								
Designated:								
Capital contracts	-	-	-	-	-	-	-	-
Instructional programs	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,329,739</u>	<u>\$ 87,876</u>	<u>\$ 98,971</u>	<u>\$ 91,844</u>	<u>\$ 1,730,100</u>	<u>\$ 589,521</u>	<u>\$ 41,449</u>	<u>\$ 416,883</u>

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2010

	NCLB Title III	NCLB Title X	NCLB Title I School Improvement	Stabilization ARRA Funds	Child Nutrition ARRA Funds	NCLB Title I ARRA Funds	NCLB Title II ARRA Funds	Title X ARRA Funds
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	1,563	-	-	-	-
Due from other governmental units:								
State Department of Education	7,137	20,788	21,041	-	-	696,785	21,811	53,108
United States Department of Education	-	-	-	-	-	-	-	-
Other units	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,137</u>	<u>\$ 20,788</u>	<u>\$ 21,041</u>	<u>\$ 1,563</u>	<u>\$ -</u>	<u>\$ 696,785</u>	<u>\$ 21,811</u>	<u>\$ 53,108</u>
LIABILITIES								
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	7,137	20,788	21,041	1,563	-	696,785	21,811	53,108
Total liabilities	<u>7,137</u>	<u>20,788</u>	<u>21,041</u>	<u>1,563</u>	<u>-</u>	<u>696,785</u>	<u>21,811</u>	<u>53,108</u>
FUND BALANCE								
Reserved:								
Capital contracts	-	-	-	-	-	-	-	-
Unreserved:								
Designated:								
Capital contracts	-	-	-	-	-	-	-	-
Instructional programs	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 7,137</u>	<u>\$ 20,788</u>	<u>\$ 21,041</u>	<u>\$ 1,563</u>	<u>\$ -</u>	<u>\$ 696,785</u>	<u>\$ 21,811</u>	<u>\$ 53,108</u>

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2010

	IDEA Special Ed ARRA Funds	Natural Disaster	State Special Education Act 29/30	State Adult Education	LA 4 Pre K Fund	State Remediation Program	8 (g) Preschool Block Grant	State Library Allotment	State Textbooks and Materials
ASSETS									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Other receivables	-	886,030	-	1,897	-	-	-	-	58
Due from other funds	-	-	-	-	-	-	-	13,495	1,916,582
Due from other governmental units:									
State Department of Education	533,540	-	58,073	4,395	775,486	-	94,766	-	5,932
United States Department of Education	-	-	-	-	-	-	-	-	-
Other units	-	-	-	6,806	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
Total assets	\$ 533,540	\$ 886,030	\$ 58,073	\$ 12,898	\$ 775,486	\$ -	\$ 94,766	\$ 13,495	\$ 1,922,572
LIABILITIES									
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,696
Due to other funds	533,540	853,345	58,073	12,898	775,486	-	94,766	-	-
Total liabilities	533,540	853,345	58,073	12,898	775,486	-	94,766	-	297,696
FUND BALANCE									
Reserved:									
Capital contracts	-	-	-	-	-	-	-	-	-
Unreserved:									
Designated:									
Capital contracts	-	-	-	-	-	-	-	-	-
Instructional programs	-	32,685	-	-	-	-	-	3,231	1,624,876
Undesignated	-	-	-	-	-	-	-	10,264	-
Total fund balances	-	32,685	-	-	-	-	-	13,495	1,624,876
Total liabilities and fund balances	\$ 533,540	\$ 886,030	\$ 58,073	\$ 12,898	\$ 775,486	\$ -	\$ 94,766	\$ 13,495	\$ 1,922,572

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2010

	8 (g) Block Grant	8 (g) Superior Textbook	Education Excellence	Catch-up Curriculum	Childcare Program	Capital Projects	Total
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,502	\$ 133,502
Investments	-	-	-	-	-	324,606	324,606
Other receivables	-	-	-	-	-	1,039,033	1,927,224
Due from other funds	-	-	186,070	-	-	-	2,117,710
Due from other governmental units:							
State Department of Education	141,661	16,623	-	56,147	-	-	7,506,833
United States Department of Education	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Other units	-	6	-	-	28,483	-	304,296
Prepaid expenses	-	-	-	-	-	-	113,988
	-	-	-	-	-	-	3,448
Total assets	\$ 141,661	\$ 16,629	\$ 186,070	\$ 56,147	\$ 28,483	\$ 1,497,141	\$ 12,431,607
LIABILITIES							
Accounts payable and other liabilities	\$ 1,235	\$ -	\$ -	\$ -	\$ -	\$ 20,317	\$ 341,046
Due to other funds	140,426	16,629	858	56,147	28,483	17,620	8,775,089
Total liabilities	141,661	16,629	858	56,147	28,483	37,937	9,116,135
FUND BALANCE							
Reserved:							
Capital contracts	-	-	-	-	-	693,675	693,675
Unreserved:							
Designated:							
Capital contracts	-	-	-	-	-	407,292	407,292
Instructional programs	-	-	-	-	-	-	1,660,792
Undesignated	-	-	185,212	-	-	358,237	553,713
Total fund balances	-	-	185,212	-	-	1,459,204	3,315,472
Total liabilities and fund balances	\$ 141,661	\$ 16,629	\$ 186,070	\$ 56,147	\$ 28,483	\$ 1,497,141	\$ 12,431,607

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	NCLB Title I Disadvantaged Schoolwide Fund	Federal Adult Education	Federal Vocational Education	NCLB Title VII Indian Education	Special Education PL 101-476	NCLB Title II	NCLB Title IV	TANF Block Grant
REVENUES								
Local sources:								
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	57	2,504	-
State sources	-	-	-	-	-	-	-	-
Federal sources	6,670,723	380,824	280,521	339,618	4,934,014	1,828,433	149,121	1,678,617
Total revenues	6,670,723	380,824	280,521	339,618	4,934,014	1,828,490	151,625	1,678,617
EXPENDITURES								
Instruction:								
Regular	-	-	-	-	310,641	1,230,204	-	-
Special	-	-	-	-	428,472	-	-	-
Adult education	-	376,268	-	-	-	-	-	100
Vocational education	-	-	235,897	-	-	-	-	-
Other instructional programs	-	-	10,801	220,961	254,607	-	-	1,049,014
Support services:	5,388,911	-	-	-	-	-	-	-
Pupil support	-	-	-	-	2,339,838	-	126,907	-
Instructional staff	880,230	-	13,773	102,009	988,821	610,342	21,553	6,166
General administration	1,600	1,474	50	81	1,128	425	-	-
School administration	11,973	-	-	-	334	9,723	-	-
Business services	12,731	-	-	1,505	21,266	347	147	-
Plant services	12,789	-	-	400	-	-	-	708
Food services	-	-	-	-	-	-	-	-
Student transportation	6,360	-	-	-	334,390	-	60	535,620
Central services	-	-	-	-	-	-	-	-
Facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	6,314,594	377,760	280,521	324,968	4,687,493	1,851,041	148,687	1,591,808
Excess (deficiency) of revenues over expenditures	356,129	3,064	-	14,652	246,521	(22,551)	2,958	87,009
OTHER FINANCING SOURCES (USES)								
Operating transfers in	3,487	-	-	-	17,243	120,898	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Indirect costs received (paid)	(359,616)	(18,064)	-	(14,652)	(283,764)	(98,345)	(3,558)	(87,009)
Other sources (uses)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(356,129)	(18,064)	-	(14,652)	(246,521)	22,551	(3,558)	(87,009)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES								
	-	(15,000)	-	-	-	-	(600)	-
FUND BALANCES								
Beginning of year	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
End of year	-	-	-	-	-	-	600	-

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	NCLB Title III	NCLB Title X	NCLB Title I School Improvement	General Operating ARRA Funds	Child Nutrition ARRA Funds	NCLB Title I ARRA Funds	NCLB Title II ARRA Funds	NCLB Title X ARRA Funds
REVENUES								
Local sources:								
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-	-
State sources	64,112	83,120	163,300	2,659,177	20,000	2,241,849	139,313	93,601
Federal sources	64,112	83,120	163,300	2,659,177	20,000	2,241,849	139,313	93,601
Total revenues								
EXPENDITURES								
Instruction:								
Regular	-	-	-	963,907	-	-	106,413	-
Special	-	-	-	260,444	-	-	-	-
Adult education	-	-	-	44,913	-	-	-	-
Vocational education	-	-	-	203,642	-	1,340,305	-	88,469
Other instructional programs	62,024	5,415	90,486	-	-	-	-	-
Support services:								
Pupil support	-	64,696	-	47,489	-	-	-	-
Instructional staff	983	-	63,860	959,628	-	727,017	25,261	-
General administration	-	25	-	376	-	-	-	-
School administration	-	-	-	96,228	-	12,735	-	-
Business services	-	480	-	-	-	-	-	-
Plant services	-	-	-	24,043	-	-	-	-
Food services	-	-	-	37,789	20,000	38,863	-	-
Student transportation	-	7,938	-	20,709	-	-	-	-
Central services	-	-	-	-	-	-	-	-
Facilities acquisition	-	-	-	-	-	-	-	-
Total expenditures	83,017	78,562	154,346	2,659,177	20,000	2,118,920	131,674	88,469
Excess (deficiency) of revenues over expenditures	1,095	4,558	8,954	-	-	122,929	7,639	5,132
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Indirect costs received (paid)	(1,095)	(4,558)	(8,954)	-	-	(122,929)	(7,639)	(5,132)
Other sources (uses)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,095)	(4,558)	(8,954)	-	-	(122,929)	(7,639)	(5,132)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES								
	-	-	-	-	-	-	-	-
FUND BALANCES								
Beginning of year	-	-	-	-	-	-	-	-
End of year	-	-	-	-	-	-	-	-

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	IDEA Special Ed ARRA Funds	Natural Disaster	MFP Special Education Gifted Program	State Special Education Act 28/30	State Adult Education	8(g) Superior Textbook	LA 4 Pre K Fund	State Remediation Program
REVENUES								
Local sources:								
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	5,540	1,138	-	-
State sources	-	-	-	85,520	55,650	18,302	2,602,440	-
Federal sources	2,352,790	347,654	-	-	-	-	-	-
Total revenues	2,352,790	347,654	-	85,520	61,190	19,440	2,602,440	-
EXPENDITURES								
Instruction:								
Regular	277,743	45,638	-	-	-	19,440	-	-
Special	1,707,653	415	13,646	45,967	47,163	-	-	-
Adult education	-	-	-	-	-	-	-	-
Vocational education	-	-	-	-	-	-	-	-
Other instructional programs	60,260	-	-	-	-	-	2,550,657	-
Support services:								
Pupil support	27,587	-	-	7,212	-	-	-	-
Instructional staff	150,515	128,300	-	-	13,887	-	49,511	-
General administration	-	-	-	-	25	-	-	-
School administration	-	-	-	3,902	115	-	-	-
Business services	-	-	-	-	-	-	2,272	-
Plant services	-	576,179	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Student transportation	-	-	-	28,439	-	-	-	-
Central services	-	-	-	-	-	-	-	-
Facilities acquisition	-	236,764	-	-	-	-	-	-
Total expenditures	2,223,778	987,264	13,646	85,520	61,190	19,440	2,602,440	-
Excess (deficiency) of revenues over expenditures	129,012	(639,640)	(13,646)	-	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	118,001	13,646	-	-	-	-	(176,419)
Indirect costs received (paid)	(128,012)	-	-	-	-	-	-	-
Other sources (uses)	-	391,298	-	-	-	-	-	-
Total other financing sources (uses)	(129,012)	507,298	13,646	-	-	-	-	(176,419)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(132,341)	-	-	-	-	-	(176,419)
FUND BALANCES								
Beginning of year	-	165,028	-	-	-	-	-	176,419
End of year	-	32,685	-	-	-	-	-	3

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	8 (g) Preschool Block Grant	State Library Allotment	State Textbooks and Materials	8 (g) Block Grant	Education Excellence	Catch-up Curriculum	Childcare Program	Capital Projects	Total
REVENUES									
Local sources:									
Interest earned	-	-	-	\$	-	-	-	\$ 15,972	\$ 15,972
Other	-	-	21,701	1,213	-	-	475,060	-	507,213
State sources	355,445	-	83,176	421,481	800,000	77,190	-	-	4,498,204
Federal sources	-	-	-	-	-	-	-	284,388	24,681,175
Total revenues	355,445	-	104,877	422,694	800,000	77,190	475,060	300,380	29,713,584
EXPENDITURES									
Instruction:									
Regular	-	-	815,284	283,494	558,095	83,854	7,383	-	4,682,094
Special	-	-	-	397	182,834	-	-	-	2,617,828
Adult education	-	-	-	-	-	-	-	-	423,549
Vocational education	-	-	757	-	-	-	-	-	281,567
Other instructional programs	355,445	-	-	73,662	180,512	-	407,821	-	12,322,812
Support services:									
Pupil support	-	-	-	-	-	5,030	-	-	2,623,656
Instructional staff	-	80,201	-	4,889	-	5,590	-	-	4,891,051
General administration	-	-	-	53,394	-	-	-	5,190	10,381
School administration	-	-	-	-	-	2,716	52,963	-	192,013
Business services	-	-	-	1,324	-	-	-	-	38,758
Plant services	-	-	-	-	-	-	-	-	621,212
Food services	-	-	-	-	-	-	7,093	-	57,788
Student transportation	-	-	-	-	-	-	-	-	977,911
Central services	-	-	-	5,534	-	-	-	-	-
Facilities acquisition	-	-	-	-	-	-	-	-	-
Total expenditures	355,445	80,201	816,041	422,694	881,441	77,190	475,060	1,072,020	1,308,784
Excess (deficiency) of revenues over expenditures	-	(80,201)	(711,164)	-	(81,441)	-	-	(778,850)	(1,335,841)
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	-	-	-	-	-
Operating transfers out	-	90,485	800,888	-	-	-	-	30,000	1,192,624
Indirect costs received (paid)	-	-	-	-	-	-	-	-	(176,419)
Other sources (uses)	-	-	(4,649)	-	-	-	-	-	(1,128,976)
Total other financing sources (uses)	-	90,485	796,450	-	-	-	-	30,000	393,511
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES									
	-	10,284	87,286	-	(81,441)	-	-	(748,850)	(1,055,101)
FUND BALANCES									
Beginning of year	-	3,231	1,537,590	-	268,853	-	-	2,208,054	4,370,573
End of year	-	13,485	1,624,876	-	185,212	-	-	1,459,204	3,315,472

**SUPPLEMENTAL INFORMATION
PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS**

Terrebonne Parish School Board

June 30, 2010

Loss Fund

The Loss Fund was created pursuant to Board direction and placed the proceeds in a dedicated fund to provide for uninsured property and content losses. In addition, this fund serves to accumulate resources sufficient to handle all property and casualty losses, which fall within any deductible conditions or any self-insured retention program developed in the future.

Workers' Compensation Fund

The Workers' Compensation Claims Fund was created pursuant to Board direction for payment of workers' compensation claims not covered by insurance policies. Revenues and Other Financing Sources of the fund include interest earnings and premiums charged to other system funds through the use of internally determined workers' compensation rates. Other Financial Uses include an excess loss insurance policy, claims administration, loss control expenses, compensation payments, and medical expenses disbursed to or for claimants. The estimated liability for compensation claims existing at year end, as determined by the program administrator, is recognized in the accounts for financial reporting purposes.

Group Insurance Claims Fund

The Group Insurance Claims Fund was created pursuant to Board direction to monitor operating results of a partially self-insured group health and dental insurance program for both active and retired personnel. Other Financing Sources of the fund include interest earnings and premiums charged to other system funds through the use of internally determined insurance premiums. Other Financing Uses include claims paid and estimated claims incurred but not yet paid or filed at year end.

COMBINING STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPE
 INTERNAL SERVICE FUNDS
 Terrebonne Parish School Board
 June 30, 2010

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<u>ASSETS</u>				
Cash	\$ 1,349,167	\$ 936,046	\$ 1,108,374	\$ 3,393,587
Cash with fiscal agents	42,418	45,000	-	87,418
Investments	-	-	5,790,878	5,790,878
Other receivables	5,728	-	14,425	20,153
Due from other funds	4,583	272,837	-	-
Prepaid expenses	102,871	-	-	102,871
Total assets	1,504,767	1,253,883	6,913,677	9,394,907
<u>LIABILITIES</u>				
Accrued employee benefits - estimated liability for outstanding claims	-	809,482	6,764,511	7,573,993
Total liabilities	-	809,482	6,764,511	7,573,993
<u>NET ASSETS</u>				
Restricted:				
Existing claims	1,504,767	-	-	1,504,767
Designated for uninsured losses	-	444,401	149,166	593,567
Total net assets	\$ 1,504,767	\$ 444,401	\$ 149,166	\$ 2,098,334

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS
 PROPRIETARY FUND TYPE
 INTERNAL SERVICE FUNDS
 Terrebonne Parish School Board
 For the Year Ended June 30, 2010**

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<u>OPERATING REVENUES</u>				
Insurance premium billings	\$ -	\$ 805,872	\$ 28,865,830	\$ 29,671,702
Other local revenue	-	-	577,930	577,930
Recoveries and rebates	18,731	2,479	1,253,742	1,274,952
Total operating revenues	18,731	808,351	30,697,502	31,524,584
<u>OPERATING EXPENSES</u>				
Claims expense	1,210,692	716,579	36,578,185	38,505,456
General administration	-	200	29,502	29,702
Reinsurance and administration fees	356,177	146,788	2,473,615	2,976,580
Total operating expenses	1,566,869	863,567	39,081,302	41,511,738
Operating income (loss)	(1,548,138)	(55,216)	(8,383,800)	(9,987,154)
<u>NON-OPERATING REVENUES</u>				
Interest earned	795	505	83,128	84,428
Operating transfers in	1,912,307	-	-	1,912,307
Total non-operating revenue	1,913,102	505	83,128	1,996,735
Change in net assets	364,964	(54,711)	(8,300,672)	(7,990,419)
<u>NET ASSETS</u>				
Beginning	1,139,803	499,112	8,449,838	10,088,753
Ending	\$ 1,504,767	\$ 444,401	\$ 149,166	\$ 2,098,334

COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	Loss Fund	Workers Compensation Fund	Group Insurance Claims Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Received from assessments made to other funds	\$ 18,731	\$ 809,199	\$ 30,820,582	\$ 31,648,512
Payments for claims	(1,385,869)	(864,117)	(36,974,629)	(39,224,615)
Payments for reinsurance and administrative fees	(358,252)	(162,175)	(2,503,117)	(3,021,544)
Cash provided (used) by operating activities	(1,723,390)	(217,093)	(8,657,164)	(10,597,647)
<u>CASH FLOWS FROM NON-OPERATING ACTIVITIES</u>				
Operating transfers in	1,912,307	-	-	1,912,307
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Purchase of investments	-	-	(3,076,562)	(3,076,562)
Proceeds from sale of investments	-	-	3,781,660	
Interest on investments	795	505	83,128	84,428
Cash provided (used) by investing activities	795	505	788,226	(2,992,134)
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	189,712	(216,588)	(11,650,598)	(11,677,474)
<u>CASH AND CASH EQUIVALENTS AT</u>				
Beginning of year	1,201,873	1,197,634	9,086,363	11,485,870
End of year	\$ 1,391,585	\$ 981,046	\$ (2,564,235)	\$ (191,604)
<u>CASH AND CASH EQUIVALENTS AT END OF THE YEAR CONSISTED OF:</u>				
Cash	\$ 1,349,167	\$ 936,046	\$ 1,108,374	\$ 3,393,587
Cash with fiscal agent	42,418	45,000	-	87,418
Cash equivalents included in investments	-	-	109,051	109,051
	\$ 1,391,585	\$ 981,046	\$ 1,217,425	\$ 3,590,056
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>				
Operating Income (loss)	\$ (1,548,138)	\$ (55,216)	\$ (8,383,800)	\$ (9,987,154)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Receivables	(113,182)	(47,097)	123,080	(37,199)
Accounts payable and other liabilities	(62,070)	(114,780)	(396,444)	(573,294)
Net cash provided (used) by operating activities	\$ (1,723,390)	\$ (217,093)	\$ (8,657,164)	\$ (10,597,647)

**SUPPLEMENTAL INFORMATION
FIDUCIARY FUND TYPE
FUND DESCRIPTIONS**

Terrebonne Parish School Board

June 30, 2010

IRC Section 125 Employee Benefits Fund

This fund accounts for disbursement of reimbursement benefits to employees participating in the School Board's Internal Revenue Code Section 125 Employee Benefits (Cafeteria) Plan. Deposits consist of payroll deductions for participating personnel. Disbursements are processed and reimbursement checks are issued by an appointed independent administrator. Interest earnings on the fund checking account are recognized in the General Operating Fund. The plan provides for tax sheltered payment of certain employee benefit expenses, principally, group term hospitalization and life insurance.

School Activity Accounts

Each of the schools in the parish accounts for monies held by the school through the use of school activity accounts, and at the secondary level, where appropriate, athletic activity accounts, and stadium maintenance accounts. The accounting records are maintained at each facility under the supervision of the school principal. Year-end statements of receipts and disbursements are prepared by the school administrator and transmitted to the Assistant Superintendent of Administration and Statistics.

Each school activity account monitors proceeds expended for a variety of activities such as sales of concessions, student pictures, student club activities, and various other expenditures for instructional and school operating supplies.

Athletic accounts monitor revenues and expenditures related to various athletic programs, including the costs of equipment, supplies and services required in the program.

Stadium maintenance accounts monitor costs of operation and maintenance of athletic facilities. Schools using such facilities are charged a pro-rated facility use fee based upon the number of events held in the facility, and the direct cost of custodial services.

COMBINING STATEMENT OF CHANGES IN ASSET BALANCES
FIDUCIARY FUND TYPE
AGENCY – SCHOOL ACTIVITY ACCOUNTS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

Schools	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Acadian	\$ 130,507	\$ 219,275	\$ 256,034	\$ 93,748
Bayou Black	30,898	31,622	30,215	32,305
Bayou Cane - Adult Education	6,545	15,500	9,247	12,798
Boudreaux Canal	48,655	52,580	56,528	44,707
Bourg	136,229	233,143	266,464	102,908
H.L. Bourgeois	200,564	531,044	580,884	150,724
Broadmoor	228,744	246,556	233,835	241,465
Caldwell	67,414	104,280	110,359	61,335
Coteau Bayou Blue	36,681	169,495	170,165	36,011
Dularge Elementary	36,747	46,167	53,516	29,398
Dularge Middle	62,269	42,966	44,236	60,999
East Houma	49,228	42,488	52,385	39,331
East Street	296	1,682	948	1,030
Ellender Memorial High	159,549	451,346	409,728	201,167
Elysian Fields	16,058	81,403	83,736	13,725
Evergreen Jr. High	212,862	211,841	238,880	185,823
Gibson	13,287	23,474	26,130	10,631
Grand Caillou Elementary	71,346	127,963	123,050	76,259
Grand Caillou Middle	45,052	20,406	30,650	34,808
Greenwood	15,908	26,582	23,681	18,809
Honduras	30,176	46,198	64,287	12,087
Houma Jr. High	26,767	291,068	289,545	28,290
Lacache	62,535	139,315	136,221	65,629
Legion Park	14,149	7,153	12,324	8,978
Lisa Park	41,499	199,802	199,369	41,932
Montegut Elementary	24,326	91,432	85,943	29,815
Montegut Middle	34,685	186,101	174,262	46,524
Mulberry	82,383	500,943	521,342	61,984
Oaklawn Jr. High	37,280	85,407	96,767	25,920
Oakshire	62,301	183,177	197,527	47,951
Pointe-Aux-Chenes	25,242	43,953	47,412	21,783
Andrew Price	475	-	98	377
School for Exceptional Children	66,428	11,143	18,036	59,535
Schriever	31,320	172,174	174,915	28,579
Southdown	31,197	46,387	54,883	22,701
South Terrebonne High	316,490	674,849	649,510	341,829
Terrebonne High	330,335	601,198	677,097	254,436
Upper Little Caillou	45,041	223,743	222,161	46,623
Village East	20,053	40,124	51,353	8,824
Vocational Technical High	29,245	45,124	37,355	37,014
West Park	5,455	39,623	39,042	6,036
Total	\$ 2,886,221	\$ 6,308,727	\$ 6,550,120	\$ 2,644,828

Schedule 7

Schedule of
COMPENSATION PAID TO BOARD MEMBERS
Terrebonne Parish School Board
For the Year Ended June 30, 2010

	<u>Amount</u>
Hayes Badeaux, Jr.	\$ 10,200
Clark Bonvillain	9,600
L.P. Bordelon III	9,600
Roger Dale Dehart	9,600
Donald Duplantis	9,600
Gregory Harding	10,200
Richard Jackson	9,600
Roosevelt Thomas	9,600
Rickie Pitre	9,600
	<u>\$ 87,600</u>

Board member compensation is included in the general administrative expenditure of the General Fund.

OTHER REQUIRED REPORTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board

For the year ended June 30, 2010

Federal Granting Agency/Recipient State Agency/Grant Program

GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
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U.S. Department of Agriculture

Pass through payments from State Department of Education

Child Nutrition Cluster:

Non-Cash Assistance (Food Distribution):

USDA Commodities

Cash Assistance:

School Breakfast Program

School Lunch Program

Total Nutrition Cluster

Total - Department of Agriculture

Department of Education

Pass through payments from State Dept. of Education

NCLB Title I - Terrebonne Educational Enrichment - Current

NCLB Title I - Migrant Education - Current

NCLB Title I - Migrant Education - Prior

NCLB Title I - School Improvement 1003(g)

NCLB Title II, Part A, Teacher and Principal Training & Recruiting Fund - Current

NCLB Title II, Part A, School Leadership Program

NCLB Title II-Part C-Teaching American History Grant (Lafourche)

NCLB Title II - Enhancing Education Through Technology - Current

NCLB Title II - Enhancing Education Through Technology - Prior

NCLB Title II - Enhancing Education Through Technology - Carryover

NCLB TITLE II, Part B, Math and Science Partnerships-Cohort 1/Competitive

FY 10	10.550	\$ 378,428	\$ 378,428
05-SFS-110	10.553	1,632,627	1,632,627
05-SFS-110	10.555	4,665,959	4,665,959
		6,298,586	6,298,586
		6,677,014	6,677,014
S010A090018	84.010A	6,558,295	6,558,295
28-10-M1-29	84.011A	108,061	108,061
28-09-M1-29	84.011A	4,367	4,367
S377A080019	84.377A	163,300	163,300
S367A090017	84.367A	1,381,873	1,381,873
U363A090107	84.363A	336,097	336,097
U215X050310	84.215X	12,257	12,257
28-10-49-55	84.318X	48,248	48,248
28-09-49-55	84.318X	15,175	15,175
28-08-49-55	84.318X	12,117	12,117
28-09-MP-29	84.366B	22,666	22,666

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board

For the year ended June 30, 2010

Federal Granting Agency/Recipient	GRANT	CFDA	REVENUE	EXPENDITURE
NCLB Title III - English Language Acquisition Grants - Current	S365A090018A	84.365A	55,852	55,852
NCLB Title III - English Language Acquisition Grants-Immigrant Set Aside	28-10-S3-5	84.365A	8,260	8,260
NCLB Title IV-Drug Free Schools and Community Act - Current	Q186A090019	84.186A	131,130	131,130
NCLB Title IV-Terrebonne Emergency Response Preparedness	Q184E070028	84.184E	17,990	17,990
NCLB Title VII Indian Education -Grants to Local Educational Agencies	S060A100846	84.060A	339,618	339,618
NCLB Title X - Homeless Grant - Current	28-10-H1-55	84.186A	82,555	82,555
NCLB Title X - Homeless Grant - Prior	28-09-H1-55	84.186A	565	565
Adult Basic Education - Current	28-10-44-55	84.002A	166,992	166,992
Adult Basic Education - Prior	28-09-44-55	84.002A	47,496	47,496
Adult Basic Education - Federal English Language/Civics Education	28-10-07-55	84.002A	22,783	22,783
Adult Basic Education - Federal English Language/Civics Education-Prior	28-09-07-56	84.002A	1,824	1,824
Adult Basic Education - Federal Adult and Family Literacy	28-10-43-55	84.002A	124,108	124,108
Adult Basic Education - Federal Adult and Family Literacy - Prior	28-09-43-55	84.002A	17,621	17,621
 Vocational Education:				
Carl D. Perkins Act				
Basic Grant - PL 101-392	28-09-02-55	84.048	239,912	239,912
Basic Grant - PL 101-392 - FY08-09 Reallocation	28-08-02-55-C	84.048	19,643	19,643
Career Tech - Current	CPERKTP010	84.048	966	966

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board

For the year ended June 30, 2010

Federal Granting Agency/Recipient

CFDA

REVENUE

EXPENDITURE

GRANT

Special Education Cluster

Special Education - Grants to States

Special Education - Grants to States

Special Education - Grants to States

Special Education - Grants to States

PL 101-476 - Special Education - Preschool Grants

Statewide Positive Behavioral Support Project (SWPBS)

Special Education - Targeting Special Education Certification

America's Recovery and Reinvestment Act (ARRA):

State Fiscal Stabilization Funds

2009 Equipment Assistance Grants for School Food Authorities (SFA)

NCLB Title I - Terrebonne Educational Enrichment - AEEA

NCLB Title II, Part D, Education Technology State Grants Recovery - ARRA

NCLB Title X - Homeless Grant - ARRA

Special Education - Grants to States, Recovery Act

Special Education - Preschool Grants, Recovery Act

Total United States Department of Education

Office of Community Development Disaster Recovery Unit

Community Development Block Grant

DEPARTMENT OF HEALTH & HUMAN SERVICES

Pass through payments from State Department of Education

Temporary Assistance for Needy Families-LA4 The Cecil J. Picard LA4 Early Childho

Temporary Assistance for Needy Families - JAG

Jobs for America's Graduates - LA #1 Current

Jobs for America's Graduates - LA #1 Prior

Jobs for America's Graduates - TANF #2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board
For the year ended June 30, 2010

Federal Granting Agency/Recipient	GRANT	CFDA	REVENUE	EXPENDITURE
Temporary Assistance for Needy Families - EMPLOY				
Jobs for America's Graduates-TANF Empl'y I - Prior	28-09-JE-55	93.558	9,032	9,032
EMPLOY Reimbursement II	28-09-J2-55	93.558	17,000	17,000
Temporary Assistance for Needy Families - S.T.E.P.	28-10-EP-55	93.558B	3,684	3,684
			1,678,617	1,678,617
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Pass through payments from State Department of Military Affairs				
Public Assistance Grants	None	97.036	632,130	632,130
Total program expenditures			\$ 32,284,968	\$ 32,284,968

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as current assets. Expenditures are generally recognized when the liability is incurred.

NOTE 2: USDA COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received.

TERREBONNE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Terrebonne Parish School Board.
2. No deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Terrebonne Parish School Board were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Terrebonne Parish School Board expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Terrebonne Parish School Board are reported in Part C of this Schedule.
7. The programs tested as major programs include:

NCLB Title I	CFDA# 84.010A
NCLB Title I ARRA	CFDA# 84.389
TANF	CFDA# 93.558
State Fiscal Stabilization Fund-Education	
Grants-ARRA	CFDA# 84.394
Special Education	CFDA# 84.027
Special Education - ARRA	CFDA# 84.391A
8. The threshold for distinguishing Types A and B programs was \$968,549.
9. The Terrebonne Parish School Board was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT
None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT
None

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Lanaux & Felger

— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MARK S. FELGER, CPA

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Terrebonne Parish School Board
Houma, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Terrebonne Parish School Board as of and for the year ended June 30, 2010, which collectively comprise the Terrebonne Parish School Board's basic financial statements and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Terrebonne Parish School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Terrebonne Parish School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Terrebonne Parish School Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

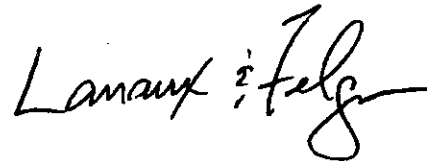
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Terrebonne Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the Terrebonne Parish School Board in a separate letter dated December 21, 2010.

This report is intended for the information and use of the Terrebonne Parish School Board, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 21, 2010

A handwritten signature in black ink, appearing to read "Lamont J. Felger". The signature is written in a cursive style with a large, stylized "F" and "L".

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Lanaux & Felger

— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MARK S. FELGER, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Terrebonne Parish School Board
Houma, Louisiana

Compliance

We have audited the compliance of the Terrebonne Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 "Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2010. The Terrebonne Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Terrebonne Parish School Board's management. Our responsibility is to express an opinion on the Terrebonne Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Terrebonne Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the Terrebonne Parish School Board's compliance with those requirements.

In our opinion, the Terrebonne Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

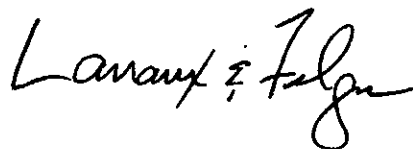
The management of the Terrebonne Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Terrebonne Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Terrebonne Parish School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Terrebonne Parish School Board, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 21, 2010

A handwritten signature in dark ink, appearing to read "L. Arnaud", is positioned to the right of the date.

**TERREBONNE PARISH SCHOOL BOARD
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2010**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were none.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were none.

SECTION III MANAGEMENT LETTER

Comment: 2009-1 FEMA File Documentation

Status: Appropriate corrective actions have been taken and matter is resolved.

Comment: 2009-2 Performance-Based Energy Contract

Status: The final payment for the purchase and installation of property under this contract was made in August 2008. The monthly maintenance contract expired in August 2009 and was not renewed. Since we are no longer obligated under this contract, we believe this matter is resolved.

Comment: 2008-3 School Activity Funds

Status: The number of school audits increased significantly from the previous year. Nine schools, including three of the four high schools in the system, were audited in the fiscal year ended June 30, 2010, compared to four schools in the previous year.

**TERREBONNE PARISH SCHOOL BOARD
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2010**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

No findings were reported which required a response from management.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings were reported which required a response from management.

SECTION III MANAGEMENT LETTER

Comment: 2010-1 School Activity Funds

Response: Management is considering the auditors' recommendation and is developing a proposal to address the issue.

SCHOOL BOARD PERFORMANCE MEASURES

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2010

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 59,670,880	
Other Instructional Staff Salaries	6,556,181	
Instructional Staff Employee Benefits	24,196,728	
Purchased Professional and Technical Services	249,502	
Instructional Materials and Supplies	3,356,546	
Instructional Equipment	212,097	
Total Teacher and Student Interaction Activities		\$ 94,241,934

Other Instructional Activities 753,569

Pupil Support Activities	5,688,812	
Less Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		5,688,812

Instructional Staff Services	6,231,528	
Less Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		6,231,528

School Administration	8,162,918	
Less Equipment for School Administration	-	
Net School Administration		8,162,918

Total General Fund Instructional Expenditures: \$ 115,078,761

Total General Fund Equipment Expenditures \$ 446,012

CERTAIN LOCAL REVENUE SOURCES

Local Taxation Sources:

Constitutional Ad Valorem Tax	\$ 2,621,457
Renewable Ad Valorem Tax	3,668,508
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes	708,699
Sales and Use Taxes	44,090,552
Total Local Taxation Revenue	<u>\$ 51,089,216</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 282,409
Earnings from Other Real Property	4,069
Total Local Earnings on Investment in Real Property	<u>\$ 286,478</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 93,429
Revenue Sharing - Other Taxes	130,749
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 224,178</u>

Non-public Textbook Revenue	\$ 83,176
Non-public Transportation Revenue	<u>\$ 376,607</u>

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Educational Levels of Public School Staff
As of October 1, 2009

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	10	1%	3	2%	0	0%	0	0%
Bachelor's Degree	1,045	77%	122	96%	0	0%	0	0%
Master's Degree	206	15%	3	2%	24	34%	0	0%
Master's Degree +30	101	7%	0	0%	46	65%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	1	1%	0	0%
Total	1,362	100%	128	101%	71	100%	0	0%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2010

Type	Number
Elementary	22
Middle/Jr. High	10
Secondary	5
Combination	4
Total	41

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2009

Type	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			3	5	3	8	10	29
Principals			1	6	11	8	16	42
Classroom Teachers	154	149	434	204	159	140	250	1,490
Total	154	149	438	215	173	156	276	1,561

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Public School Staff Data
For the Year Ended June 30, 2010

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$46,214	\$46,012
Average Classroom Teacher's Salary Excluding Extra Compensation	\$45,870	\$45,660
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,416	1,363

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Class Size Characteristics
As of October 1, 2009

Category	Class Size Range									
	1-20		21-26		27-33		34 or more		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	1,807	43%	950	44%	93	11%	2	2%	2,852	38%
Elementary Activity Classes	387	9%	149	7%	11	1%	5	5%	552	8%
Middle/Jr. High	665	16%	503	24%	402	45%	43	42%	1,613	22%
Middle/Jr. High Activity Classes	204	5%	58	3%	53	6%	30	29%	345	5%
High	786	19%	448	21%	291	33%	9	9%	1,534	21%
High Activity Classes	138	3%	31	1%	33	4%	13	13%	215	3%
Combination	211	5%	3	0%	0	0%	0	0%	214	3%
Combination Activity Classes	18	0%	0	0%	2	0%	0	0%	20	0%
Total	4,216	100%	2,142	100%	885	100%	102	100%	7,345	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
Year Ended June 30, 2010

District Achievement Level	English Language Arts						Mathematics					
	2010			2009			2010			2009		
	Number	Percent	Grade 4	Number	Percent	Grade 4	Number	Percent	Grade 4	Number	Percent	Grade 4
Advanced	66	4%		56	3%		88	6%		55	3%	
Mastery	304	19%		324	20%		331	21%		195	12%	
Basic	762	48%		760	48%		721	45%		717	46%	
Approaching Basic	263	17%		310	19%		262	17%		372	23%	
Unsatisfactory	185	12%		153	10%		180	11%		264	16%	
Total	1590	100%		1603	100%		1582	100%		1603	100%	

District Achievement Level	Science						Social Studies					
	2010			2009			2010			2009		
	Number	Percent	Grade 4	Number	Percent	Grade 4	Number	Percent	Grade 4	Number	Percent	Grade 4
Advanced	61	4%		81	5%		52	3%		30	2%	
Mastery	235	15%		249	16%		240	15%		242	15%	
Basic	779	49%		725	45%		876	56%		769	48%	
Approaching Basic	379	24%		388	24%		257	16%		319	20%	
Unsatisfactory	133	8%		160	10%		162	10%		241	15%	
Total	1587	100%		1603	100%		1587	100%		1601	100%	

District Achievement Level	English Language Arts						Mathematics					
	2010			2009			2010			2009		
	Number	Percent	Grade 8	Number	Percent	Grade 8	Number	Percent	Grade 8	Number	Percent	Grade 8
Advanced	20	1%		17	1%		50	3%		66	5%	
Mastery	147	10%		176	13%		43	3%		68	5%	
Basic	560	38%		615	45%		604	41%		561	41%	
Approaching Basic	576	39%		455	34%		394	27%		375	28%	
Unsatisfactory	180	12%		93	7%		393	26%		284	21%	
Total	1483	100%		1356	100%		1484	100%		1354	100%	

District Achievement Level	Science						Social Studies					
	2010			2009			2010			2009		
	Number	Percent	Grade 8	Number	Percent	Grade 8	Number	Percent	Grade 8	Number	Percent	Grade 8
Advanced	13	1%		39	3%		4	0%		17	1%	
Mastery	115	8%		207	15%		128	9%		158	12%	
Basic	573	38%		473	35%		573	39%		594	45%	
Approaching Basic	487	33%		438	33%		408	27%		350	26%	
Unsatisfactory	299	20%		183	14%		373	25%		221	16%	
Total	1487	100%		1340	100%		1486	100%		1340	100%	

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

The Graduation Exit Examination for the 21st Century (GEE21)
Year Ended June 30, 2010

District Achievement Level	English Language Arts						Mathematics					
	2010			2009			2010			2009		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	12	1%	6	1%	5	0%	122	11%	89	9%	82	8%
Mastery	165	14%	74	7%	79	7%	181	16%	108	11%	132	12%
Basic	554	49%	451	45%	501	47%	480	39%	471	47%	424	38%
Approaching Basic	280	24%	306	31%	307	28%	205	18%	184	19%	217	20%
Unsatisfactory	142	12%	162	16%	202	18%	184	16%	142	14%	238	22%
Total	1153	100%	999	100%	1094	100%	1152	100%	994	100%	1093	100%

District Achievement Level	Science						Social Studies					
	2010			2009			2010			2009		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	15	2%	30	3%	11	1%	3	0%	6	1%	5	0%
Mastery	116	13%	164	16%	109	10%	53	6%	71	7%	58	5%
Basic	427	45%	425	43%	467	43%	497	54%	501	49%	554	52%
Approaching Basic	246	27%	239	24%	307	28%	215	23%	245	25%	266	24%
Unsatisfactory	124	13%	144	14%	193	18%	160	17%	177	18%	203	19%
Total	928	100%	1002	100%	1087	100%	928	100%	1000	100%	1086	100%

Note: For fiscal years ended June 30, 2010 and 2009, only "initial testers" reported.
For fiscal year ended June 30, 2008, "All testers" reported.

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Iowa and iLEAP Tests
Year Ended June 30, 2010

District Achievement Level Results Students	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	61	4%	89	7%	65	5%	39	3%
Mastery	327	24%	285	21%	252	18%	294	22%
Basic	614	46%	568	42%	623	46%	678	50%
Approaching Basic	229	17%	276	20%	301	22%	233	17%
Unsatisfactory	126	9%	139	10%	116	9%	113	8%
Total	1357	100%	1357	100%	1357	100%	1357	100%

District Achievement Level Results Students	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	41	3%	82	6%	32	2%	62	5%
Mastery	262	20%	184	14%	217	17%	230	18%
Basic	612	47%	629	48%	619	47%	621	47%
Approaching Basic	280	21%	228	17%	353	27%	259	19%
Unsatisfactory	119	9%	190	15%	90	7%	139	11%
Total	1314	100%	1313	100%	1311	100%	1311	100%

District Achievement Level Results Students	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	68	5%	74	6%	56	4%	110	8%
Mastery	270	21%	170	13%	282	22%	166	13%
Basic	675	52%	663	51%	558	43%	594	46%
Approaching Basic	196	15%	238	18%	314	24%	286	22%
Unsatisfactory	87	7%	150	12%	85	7%	139	11%
Total	1296	100%	1293	100%	1295	100%	1295	100%

District Achievement Level Results Students	English Language Arts 2010		Mathematics 2010		Science 2010		Social Studies 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	71	6%	81	7%	19	2%	14	1%
Mastery	189	16%	123	10%	234	20%	145	12%
Basic	574	49%	575	48%	516	43%	638	54%
Approaching Basic	270	23%	249	22%	314	27%	234	20%
Unsatisfactory	85	7%	158	13%	99	8%	152	13%
Total	1189	100%	1186	100%	1182	100%	1183	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Iowa and ILEAP Tests
Year Ended June 30, 2010

District Achievement Level Results	English Language Arts		Mathematics	
	Number	Percent	Number	Percent
Grade 9				
Advanced	13	1%	81	7%
Mastery	163	14%	140	12%
Basic	598	53%	544	48%
Approaching Basic	276	24%	207	18%
Unsatisfactory	85	7%	163	14%
Total	1135	100%	1135	100%

District Achievement Level Results	English Language Arts		Mathematics	
	Number	Percent	Number	Percent
PreGED/Skills				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	9	4%	22	9%
Approaching Basic	72	29%	19	8%
Unsatisfactory	171	68%	212	84%
Total	252	100%	253	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Iowa and ILEAP Tests
Year Ended June 30, 2010

District Achievement Level Results			English Language Arts		Mathematics		Science		Social Studies	
Students			2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3										
Advanced	58	4%	103	7%	53	4%	12	1%		
Mastery	285	20%	257	18%	294	21%	326	23%		
Basic	665	48%	625	45%	639	45%	688	50%		
Approaching Basic	260	19%	246	18%	319	23%	243	17%		
Unsatisfactory	132	9%	169	12%	93	7%	129	9%		
Total	1400	100%	1400	100%	1398	100%	1398	100%		

District Achievement Level Results			English Language Arts		Mathematics		Science		Social Studies	
Students			2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5										
Advanced	33	2%	70	5%	81	6%	48	4%		
Mastery	241	18%	158	12%	263	20%	224	17%		
Basic	626	47%	692	52%	573	43%	672	50%		
Approaching Basic	293	22%	235	17%	301	22%	258	19%		
Unsatisfactory	153	11%	191	14%	125	9%	139	10%		
Total	1346	100%	1346	100%	1343	100%	1341	100%		

District Achievement Level Results			English Language Arts		Mathematics		Science		Social Studies	
Students			2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6										
Advanced	41	3%	81	7%	50	4%	59	5%		
Mastery	202	17%	168	14%	207	17%	122	10%		
Basic	672	56%	631	53%	563	48%	585	49%		
Approaching Basic	224	19%	171	14%	287	24%	307	26%		
Unsatisfactory	56	5%	143	12%	86	7%	117	10%		
Total	1195	100%	1194	100%	1193	100%	1190	100%		

District Achievement Level Results			English Language Arts		Mathematics		Science		Social Studies	
Students			2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7										
Advanced	30	2%	54	4%	24	2%	21	1%		
Mastery	162	11%	108	7%	180	12%	182	13%		
Basic	625	43%	648	44%	541	37%	646	45%		
Approaching Basic	434	30%	364	25%	461	32%	383	26%		
Unsatisfactory	212	14%	291	20%	251	17%	221	15%		
Total	1463	100%	1465	100%	1457	100%	1453	100%		

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Iowa and ILEAP Tests
Year Ended June 30, 2010

District Achievement Level Results	English Language Arts		Mathematics	
	2009	2009	2009	2009
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	9	1%	67	5%
Mastery	144	12%	127	10%
Basic	644	52%	539	44%
Approaching Basic	336	27%	303	25%
Unsatisfactory	96	8%	197	16%
Total	1229	100%	1233	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009	2009	2009	2009
Students	Number	Percent	Number	Percent
PreGED/Skills				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	18	6%	20	7%
Approaching Basic	94	33%	51	18%
Unsatisfactory	172	61%	216	75%
Total	284	100%	287	100%

TERREBOUNNE PARISH SCHOOL BOARD
Houma, Louisiana

ILEAP Tests
Year Ended June 30, 2010

District Achievement Level Results Students	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	44	3%	71	5%	46	3%	40	3%
Mastery	253	18%	195	14%	211	15%	253	18%
Basic	669	46%	620	42%	653	45%	695	48%
Approaching Basic	293	20%	303	21%	372	26%	276	19%
Unsatisfactory	184	13%	254	18%	161	11%	179	12%
Total	1443	100%	1443	99%	1443	100%	1443	100%

District Achievement Level Results Students	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	46	4%	77	6%	48	4%	28	2%
Mastery	211	17%	149	12%	224	19%	200	17%
Basic	558	46%	565	47%	537	44%	598	49%
Approaching Basic	264	22%	230	19%	297	25%	240	20%
Unsatisfactory	131	11%	189	16%	102	8%	141	12%
Total	1210	100%	1210	100%	1208	100%	1208	100%

District Achievement Level Results Students	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	25	2%	63	4%	47	3%	38	3%
Mastery	191	13%	105	7%	167	11%	122	8%
Basic	698	48%	667	45%	681	47%	613	42%
Approaching Basic	400	27%	315	22%	434	30%	396	27%
Unsatisfactory	152	10%	315	22%	133	9%	291	20%
Total	1466	100%	1465	100%	1462	100%	1460	100%

District Achievement Level Results Students	English Language Arts 2008		Mathematics 2008		Science 2008		Social Studies 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	61	5%	32	2%	22	2%	17	1%
Mastery	195	15%	74	6%	134	10%	120	9%
Basic	568	41%	614	46%	588	44%	639	49%
Approaching Basic	385	29%	362	27%	380	28%	325	24%
Unsatisfactory	128	10%	259	19%	211	16%	231	17%
Total	1337	100%	1341	100%	1335	100%	1332	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

ILEAP Tests
Year Ended June 30, 2010

District Achievement Level Results Students Grade 9	English Language Arts 2008		Mathematics 2008	
	Number	Percent	Number	Percent
Advanced	6	1%	35	3%
Mastery	104	9%	74	7%
Basic	531	48%	514	46%
Approaching Basic	341	31%	267	24%
Unsatisfactory	125	11%	217	20%
Total	1107	100%	1107	100%

District Achievement Level Results Students PreGED/Skills	English Language Arts 2008		Mathematics 2008	
	Number	Percent	Number	Percent
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	8	3%	17	6%
Approaching Basic	68	25%	34	13%
Unsatisfactory	192	72%	217	81%
Total	268	100%	268	100%

TERREBONNE PARISH SCHOOL BOARD

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Terrebonne Parish School Board:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Terrebonne Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Terrebonne Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No differences were noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

No differences were noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No differences were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No differences were noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences were noted.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences were noted.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences were noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences were noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

No differences were noted.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Terrebonne Parish School Board.

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Terrebonne Parish School Board.

No differences were noted.

The Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Terrebonne Parish School Board.

No differences were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Terrebonne Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Lanau & Felp

December 21, 2010

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— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MARK S. FELGER, CPA

December 21, 2010

To the Terrebonne Parish School Board
Houma, Louisiana

In planning and performing our audit of the basic financial statements of the Terrebonne Parish School Board for the year ended June 30, 2010, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinions on the financial statements but not to provide assurance on the School Board's internal control over financial reporting.

However, during the course of our audit, we became aware of the several matters that are opportunities for strengthening internal controls, compliance and operating efficiency. We previously reported on the School Boards internal control and compliance in our report dated December 21, 2010. This letter does not affect our report dated December 21, 2010, on the financial statements of the School Board.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various School Board personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

2010 – 1 School Activity Funds

The School Board employs an internal auditor whose responsibilities include performing audits of the school activity funds at the various schools throughout the system. Current board policy calls for audits of school activity funds once every three years, and upon the closing of a school, the resignation or dismissal of personnel responsible for receiving and disbursing school funds, or whenever, in the opinion of the board a financial audit is deemed advisable. During the period covered by our audit, the internal auditor completed and issued nine school audit reports, as compared with four audits in the previous year.

Adherence to current board policy would require the completion of fourteen or more school audit reports each fiscal year depending on the number of new principals appointed. The other duties assigned to the internal auditor reduce the amount of time available for school audits. Although the number of audits